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Russian View On Stance of Bosnia Serbs

Reply to Peace Plan Was Disappointing, Perry Says in Zagreb

ZAGREB, Croatia — In an apparent sign of an emerging rift, the U.S. defense secretary, William J. Perry, disputed on Friday the Russian view that the Bosnian Serbs had given a "rather positive" re-Compiled by Our Staff From Dispatches sponse to the latest peace plan.

With the plan stalled, fighting flared in
Bosnia on several fronts, United Nations

officials reported. Mr. Perry, in Zagreb for talks with NATO and UN peacekeeping commanders, said that the Serbs' reaction was "not a positive answer but a disappointing answer, and it is going to greatly complicate

the path ahead But he said that the international community would take no new action over Bosnia-Herzegovina until after a July 30 meeting of the five-nation Contact Group that drafted the peace plan.

Foreign ministers from the plan's sponsoring countries — the United States, France, Britain, Germany and Russia - are to meet in Geneva that day to discuss the consequences of the Bosnian Serbs' refusal to back the partition plan.

The current proposal would give a Muslim-Croat federation 51 percent of Bosma and leave the Serbs, who now hold about 70 percent, with 49 percent. Mr. Perry, who aborted a trip to Saraje-

vo after shelling Thursday forced the airort's closure, also confirmed a possible lifting of the arms embargo for the benefit of Muslim-led Bosnian government forces. A lifting of the embargo was one option under discussion if the Bosnian Serbs' rejection of the plan proved definitive, he

Prime Minister Haris Silajdzic of Bosnia, who met with Mr. Perry in Zagreb, stressed his government's continued "unconditional" support for the plan.
But asked if there was any way his side would negotiate with the Serbs over borders, Mr. Silajdzic said, "The answer is

The Serbs did not reject the partition would require substantial renegotiation. The Muslims and Croats have accepted the

See BOSNIA, Page 4





With more than a million Rwandan refugees crowding into four makeshift camps in Goma, Zaire, disease and exhaustion are taking a severe toll.

In Refugee Camps, Scenes from the Inferno

By Barry James

With cholera and other diseases spreading through Dantesque refugee camps on the border of Zaire, the UN secretarygeneral, Butros Butros Ghali, made a desperate appeal Friday for \$434 million in

President Bill Clinton ordered an "immediate and massive increase in our efforts in the region" to help allay "what could be the world's worst humanitarian crisis in a

Despite a plea to governments to take on specific tasks around the Zairian town of Goma, where more than a million refugees

have not had a single positive response, and it's getting very late," said a spokes-woman for the United Nations High Commissioner for Refugees. "In this emergency, we expect a major contribution from every single country in the world."

In four tecrning refugee camps near Goma, people were dying of disease and exhaustion faster than aid workers could count them. Traffic jams of trucks carrying bodies built up on their way to mass

People tied scarves over their faces to keep out the stench of corpses and excrement. Medical workers said cholera could

kill thousands more because of the shortage of clean water and medical supplies. Most people were surviving on slimy water collected from Lake Kivu, which is heavily polluted. The aid agencies were able to deliver only a fraction of the food needed, and the airport runway at Goma was breeking up as heavy transport planes

arrived with supplies.

Mr. Butros Ghali said the refugee exodus forced him to seek \$434 million for ediate humanitarian needs rather than the \$274 million initially estimated.

He said the tragedy was reaching "un-imaginable proportions."

The secretary-general added that propa-

tions run by the exiled Rwandan government had fanned hatred and fear.

"Retreating soldiers have urged and forced whole populations to leave their homes and follow them into exile," he said. 'in some cases, massacres have even been perpetrated deliberately in order to create situations of panic, chaos and fear."

There was no sign that the hatred was abating. Tutsi refugees in Zaire, who fled earlier to escape the Hutu massacre of up to 500,000 of their fellow tribespeople and moderate Hutu, said they were terrified of

See RWANDA, Page 4

U.S. and North Korea Set Aug. 5 for Nuclear Talks

By R. Jeffrey Smith

WASHINGTON - U.S. and North Korean officials will resume high-level diplomatic negotiations on nuclear and political matters in Geneva on Aug. 5, slightly later than the Clinton administration had preferred.

The date was set at a working-level meeting in New York on Thursday, a development hailed by U.S. officials as a sign that North Korea, despite the death of President Kim Il Sung, remains committed to resolving Western allegations that it is building an arsenal of nuclear weapons.
The late North Korean president had perhally approved the talks, but his death raised questions about how quickly they might resume.

The Geneva talks were suspended on July 9 after only one day so that the chief North Korean negotiator, Kang Sok Ju, could return to Pyongyang for the funeral. The session did not produce breakthroughs on any aspect of Washington's demand that North Korea eliminate its nuclear capability, but U.S. officials remained optimistic.

The United States is offering diplomatic and economic concessions to the North Koreans, including assistance in shifting to the less threatening light-water nuclear

Speaking of the agreement to resume negotiations, a U.S. government analyst

said, "This is not a surprise."
The analyst said senior North Korean officials had given every indication from the moment of the announcement of Mr. Kim's death that they were interested in

resuming negotiations with Washington. The analyst noted that the official North Korean media, which has long been filled with anti-U.S. diatribe, has "clearly avoided criticism" of the United States since the leader's death. Instead, it gave prominent play to President Bill Clinton's message of condolence as a "signal to their own people that engagement with the United States is the policy," the analyst said.

The North Korean announcement Fri-day that the two sides had set a date for

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ing-level contact took place in New York on July 21 at which the sides agreed to resume the talks in Geneva on Aug. 5, said a spokesman for the North Korean Foreign Ministry in a statement carried by the official Korean Central News Agency. American officials said they still have

little understanding of what is happening in North Korea's ruling circles in the aftermath of the leader's death. His son, Kim Jong II, is widely expected to succeed him.
Winston Lord, U.S. assistant secretary
of state, said Wednesday, "We have no
reason to believe that anyone but Kim

Jong Il will become the successor." But he added that "if anybody gives you flat assurances or predictions of what's happening in North Korea, immediately distrust

Kim Jong II has not been publicly named in any of the announcements that have been coming out of North Korea.



ASEAN WELCOME — The Thai deputy foreign minister, Surin Pitsuwan, left; the Burmese foreign minister, U Ohn Gyaw, and the Cambodian foreign minister, Prince Norodom Sirivuch, right, at ASEAN talks. Page 4.

Kiosk

Islamic Group Claims Argentine Bombing

BUENOS AIRES — An Islamic group called Followers of God claimed responsibility for the bombing of a Jew-ish center in Buenos Aires on Monday in which 100 people are dead or missing, an Argentine security officer said Friday. Israeli intelligence services informed Buenos Aires of the claim by the group, which was based in southern Lebanon. Argentines protest the attack. Page 3.

Book Review		Page 7.
Dow Jone Up 2.59 3735.04 The Dollar	5	Down 0.05% 113.23
New York	Fri. close	previous close
DM	1.598	1.5925
Pound	1.5276	1.524
Yen	98.95	99.15
FF	5.48	5,4435

From 'A' to 'Gytch': 1,006 Pages of Nothing but Slang

By Ken Ringle Washington Post Service

WASHINGTON - Jonathan E. Lighter wears the wry, dyspeptic look of a python digesting what he thought was another snake, but discovered too late was

the front end of an elephant.

presented the National Endowment of the Humanities with 1,006 pages of his justpublished Random House Historical Dictionary of American Slang. That's the first of three volumes. He's been working on it for more than 25 years.

If he had spent the same amount of time and effort writing "explosive best-sellers The 45-year-old lexicographer has just detailing the exploits of Hollywood celeb-

rities," Mr. Lighter mused, "who knows? Wealth, fame, perhaps even tenure might have all been mine. Instead he pursued a youthful obsession

with nonstandard English usage into the mirror-world of meanings, trying to track down and define slang expressions used over the past three centuries. If you believe language is organic and

know what a word means, especially when someone else is saying it?"

In the end, he suggested, even the most exhaustive scholarship comes to depend on "a flash of direct, intuitive insight."

His 20,000-odd published insights ex-See SLANG, Page 4

U.S. Military Opens Race Against Time'

By John H. Cushman Jr.

New York Times Service

WASHINGTON — President Bill Clinton ordered the Pentagon on Friday to mount an enormous, urgent airlift of relief supplies into Africa in an attempt to control the catastrophe facing more than a

million refugees from Rwanda.

The relief mission was described by the chairman of the Joint Chiefs of Staff, General John M. Shalikashvili, as a race against time, but with every minute tolling another death at the cholera-infested camps in Zaire, officials said it would take several days for the operation to reach its

height.
"We're going to be doing everything we can, but there is going to be a time lag said J. Brian Atwood, head of the U.S. Agency for International Develop-

Mr. Clinton, calling the crisis possibly "the world's worst humanitarian crisis in a generation," defended American relief efforts so far. "From the beginning of this tragedy, the United States has been in the forefront of the international community's

Officials said that 20 million packages of oral rehydration salts, the first-aid treatment for cholera victims, would be delivered within two days, with other food and

French officials say it's the rest of the world's turn to act in the Rwandan crisis. Page 4.

medical equipment following right behind. Two military transport planes were already bound for Zaire, and expected to arrive Saturday. One carried medical supplies and the other hauled six forklifts.

Beginning on Saturday, officials said, 42 flights would leave carrying nearly 1,500 tons of food and other supplies requested by international relief agencies. The Pentagon is also considering dropping daily food rations by parachute beginning Sun-

The biggest problem of all is to provide an adequate supply of clean water to the refugees along with other sanitation equip-ment. That is likely to take many days.

To move water, trucks, filtration equipment and other heavy supplies into the remote areas where the refugees have contrated requires creati chain with its central base in Uganda, its collection points in Germany and its front lines at the underequipped airfields in

In all, the expanded relief effort is expected to cost about \$100 million beyond the \$150 million or so already spent by the United States since the Rwandan crisis began in April.

A UN spokesman said it was hoped that the United States would come up with even more aid at a pledging conference in Geneva next week in response to a plea from Secretary-General Butros Butros

About 1,500 U.S. military personnel are expected to be involved within a week, including about 200 in Zaire and several hundred more in Uganda where the Pentagon plans to set up the stepping stone on the airfield at Entebbe, the hub for the round-the-clock airlift to come.

Deputy Defense Secretary John Deutsch said the Pentagon would take on the following logistical tasks:

· Airports: Air traffic control must be put into the airfields at Goma and Bukavu in Zaire and perhaps at other smaller airfields near the refugee centers, letting them operate around the clock. Military security will have to be provided. • Ground logistics: Unloading equip-

ment, trucks for distribution, survey teams to assess where the supplies are most needed and computer systems to track the sup-

• The hub at Entebbe: Controlling all flights, refueling the planes, keeping supplies in warehouses and distributing them to the refugee centers will all be handled there, beginning in a few days. The Enteb-be hub, officials said, would significantly speed the flow of materials to the refugees.

Mr. Clinton also called for a "full contingent" of UN peacekeepers to be sent to Rwanda to provide security for civilians who want to return to their homeland, The Associated Press reported earlier from Washington.

The U.S. goal, Mr. Clinton said, is to relieve the suffering as quickly as possible and to enable the safe return of refugees to

Praise the Wayside Pulpit! Road to Heaven or Hell Is Well Posted

By Peter Applebome New York Times Service

LITTLE ROCK, Arkansas — Consider the church sign - highway haiku for the

The message may be hard sell, ("In Order to Get to Hell You Have to Step Over Jesus"), welcoming ("Free Faith Lifts Every Sunday") or the Gospel According to Nashville ("Let Jesus Fix Your Achy Breaky Heart").

It can be inspirational ("No Jesus No Love, Know Jesus Know Love"), folksy ("Don't Be a Boo-Bird in God's Flock of Team Players") or informative ("Heaven's Directions - Turn Right, Go Straight"). But in a region where public displays of faith are as much a part of the landscape as

anti-Clinton bumper stickers and barbe-

cue joints, roadside religion is as Southern as Alabama-Aubum football or hot com-

"They're sort of like urban rumors or something," said David Ward, pastor and church sign tender at the Unity Missionary Baptist Church here. "They just sort of pass around."

The church sign can be an internally lighted sign with a big yellow cross like the one at Mr. Ward's church. It can be a mobile highway road sign with an arrow pointing to the church like the one Betty You, the church secretary, changes every week at the Pineview Baptist Church in West Columbia, South Carolina.

Or it can even be an electronic message board like the one at Peachtree Baptist Church in Atlanta, which recently read, congregations."

"Being Born Again Means Being Plugged Into a New Power Source."

All that matters is that the letters can be rearranged as often as needed to spread the Good Word in the competition to recruit bodies and save souls that is religion in the

"We use it as a sort of wayside pulpit." said Perry Ginn, pastor of Peachtree Baptist Church in Atlanta.

Southern churches are hardly the only ones that use signs to do more than give the time for Sunday services, the preacher's name and the sermon topic. Rodger Loveing, vice president of the J.M. Stewart Corp., the nation's largest purveyor of church signs, says he has customers from Hawaii to Iceland catering to "drive-by

But just as an English visitor, Sir William Archer, opined at the beginning of the century: "The South is by a long way the most simply and sincerely religious country that I ever was in," religion has always. helped define what is distinctive about the

Even now, religion is far more conspicu-ous a part of life in the South than it is anywhere else in the United States. According to a poll of 1,839 adults this year conducted by the Institute for Research in Social Science at the University of North Carolina for The Atlanta Journal-Constitution, almost half of Southerners say this is a Christian country and the government should make laws to keep it that way.

Only a third of those outside the South say so. Asked if there's a devil, four of five

Southerners and three of four non-Southerners said yes. Asked if they read the Bible at home in the past week, half of the Southerners and a third of the non-Southerners said yes.

In addition, the fundamentalist and evangelical Christian congregations that dominate the South are far more likely to spread the Word on a sign that could just as well advertise "Shorty's Bait and Tack-ie" than are the Mainline Protestant or

Catholic churches that are more common in other parts of the country. Your basic church sign message hews pretty closely to what the pastor might say

in his sermon. There are Ten Command ments church signs like "God Gave Ten See SOUTH, Page 4

SYDNEY - Astronomers were treated to a fiery finale on Friday as Earth, and as time goes on the ripple the last big fragment of the dying com- will grow. et Shoemaker-Levy 9 smashed into the Scramble to Process the Data battered surface of Jupiter.

"It seems to have been one of the brighter events we have monitored here," said David Crisp, an astrono-mer with the U.S. National Aeronautic and Space Administration, said after Fragment W of the comet hit the giant planet at 0812 GMT.

has gone deep," said Peter McGregor to the zone of destruction, which is of Anstralian National University, an beyond the Jovian horizon as seen astronomer at the Siding Spring Observatory. "It's pretty impressive," he

He said the impact zone spinning

Kathy Sawyer of the Washington

Post reported earlier: Exhausted but thrilled scientists around the world struggled to process final crescendo of major impacts. Among the reports was one from the anet at 0812 GMT. spacecraft Galileo. Inbound to the gi-"Fragment W was a big chunk and it ant planet, it has a unique line of sight

from Earth. Even the U.S. Congress felt the impact: The House Science Committee voted to require the National Aero-clusive Fragment M - which had dis-

2,000 known objects - whose orbits intersect Earth's.

Astronomers had expected three big fragments to deliver a one-two-three punch to a single area of Jupiter over a 20-hour period that began Wednesday around the world struggled to process and ended late Thursday. But the blow turned out to be what University of Chicago astronomer Mark Hereld called a "four-peat," because one of the pieces, Q, had split in two before impact and both pieces left marks in the Jupiter's cloud layers.

The barrage was so closely grouped that it created one hot spot that bright-

Astronomers also reported that the

impact in the Jovian atmosphere.

Eugene Shoemaker of the U.S. Geological Survey and a co-discoverer of the comet, said, "This is a typical prob-lem in observing comets. They turn off." When a comet seems to disappear, he said, astronomers are never sure whether it has broken up or simply lost the halo of dust that provides

body there," he said.

On the other hand, astronomers had suspected that there might be nothing but glowing dust and a "swarm" of particles in the smaller fragment that H on Monday and Fragment L on had split off from Q. They thought it Tuesday.

miles per second (60 kilometers per second) Wednesday.

Instead, it appeared that the frag-ment had survived to the end and left "the smallest impact site we've seen yet," an observer said.

Meanwhile, the spacecraft Galileo, 149 million miles (241 million kilometers) from Jupiter, has provided another piece of the puzzle - the first direct light-intensity readings of the meteoric flashes marking the plunge of frag-In this case at least, "there was still a ments into the Jovian atmosphere, ody there," he said.

Terry Z. Martin of NASA's Jet Propulsion Laboratory in California said the craft's light-detecting infrared instrument recorded the entry of Fragment

WORLD BRIEFS

Ukraine Leader Issues Crime Decree

KIEV (NYT) — The new Ukrainian president, Leonid D. Kuchma, has signed a tough anti-crime decree as his first act, state

The decree allows the police to hold suspected criminals for up television reported. to 30 days and search hotels and dormitories without warrants. Police and security agents also can seize any documents they wish

Mr. Kuchma's decree was nearly identical to a measure issued last month by President Boris N. Yeltsin of Russia to crack down on organized crime.

Talks Rejected by Nigeria Oil Union

LAGOS (Renters) — Nigeria's main oil workers' union walked out of negotiations Friday aimed at ending a crippling strike, because the government could not produce the union's missing secretary general, a union official said.

We could not go on with the meeting because they could not produce Frank Kokori," said Folorunsho Oginni, the deputy mational president of the union. The union insists that Mr. Kokori, and the union insists the union insists the union insists the union insists

national president of the union. The union insists that Mr. Kokon be produced before discussions can take place to end the strike it started on July 4 to press for the release of the opposition politician, Mosbood K. O. Abiola. Mr. Abiola is facing treason charges for proclaiming himself president in defiance of the

The government says it has not arrested Mr. Kokori, but his military rulers. family says security men took him away on July 6.

Vatican Presses Attack on UN Talks

ROME (Reuters) — A senior Roman Catholic cardinal said on Friday that a United Nations population conference set for September would cause "the most disastrous massacre in history"

if it sanctioned abortion as a means of family planning.

The attack by Cardinal Alfonso Lopez Trujillo, chairman of the Pontifical Council for the Family, was the latest broadside in a campaign spearheaded by Pope John Paul II to influence the outcome of the Cairo conference. The cardinal said economically and culturally advanced nations were trying to impose their views

on birth control on poorer countries.

The UN conference, in which the Vatican will take part, is expected to call for access to birth control and emphasize educating women on family planning issues. A new UN draft statement. drawn up by the governments, does not call for legalization of abortion but asks states to deal with the health consequences of botched abortions.

Infant Dies as Mother Plays Pachinko

TOKYO (Reuters) — A 2-year-old Japanese boy left in a car while his mother played pachinko, or pinball, died from the heat,

the police said Friday.

They said the 26-year-old mother returned to her car at Nagano, north of Tokyo, after two hours to find the boy dead. The temperature had reached 34.3 degrees celsius (94 Fahrenheit).

The police said the mother had left the air-conditioning on but that the car had run out of gasoline.

Romania Chief Undergoes Operation

BUCHAREST (Renters) — President Ion Iliescu underwent

BUCHAREST (Renters) — President Ion Iliescu underwent surgery for an acute case of gallstones Friday and may be bedridden for 10 days, a hospital official said.

Mr. Iliescu, 64, was admitted to the Elias military hospital Wednesday night suffering from severe cramps, which were later diagnosed as pain from gallstones, the hospital's general manager said. The gallstones were removed in an hourdong operation.

Mr. Iliescu took power after the ouster and execution in 1989 of the dictator Nicolae Ceausescu. the dictator Nicolae Ceausescu.

Rains Trigger Hong Kong Flooding

HONG KONG (AFP) - Torrential rains deluged Hong Kong on Friday, turning major streets into rivers and isolating many rural villages.

Up to 300 millimeters (12 inches) of rain fell across the territory since late Thursday, and forecasters predicted it would continue

Thirty-two flights into or out of Hong Kong were delayed, diverted or canceled, while one death was attributed to the storm. that of a 22-year-old woman whose car spun off the road.

ror the Kecord

A Roman Catholic businessman was shot and killed Friday by two masked guinnen in an apartment that he was sharing with his Protestant girlfriend in a Belfast Protestant district, the police

TRAVEL UPDATE

South France Air Controllers Strike

PARIS (Combined Dispatches) - Air controllers in southern France began a three-day strike Friday, forcing airlines to cancel scores of flights and causing major delays for passengers to and from Majorca and mainland Spain.

Air Inter, France's main domestic airline, canceled 60 percent of its flights to and from southern French cities. By using larger The mere spectacle of a prominent black planes for some of the remaining flights, it said it hoped to honor man charged with murder was enough to 55 percent of its reservations. Affected destinations included touch off cries of racial bias among some Corsica, Nice, Toulon, Marseille, Nîmes, Avignon and Lyon.

AOM, a smaller carrier, said it was canceling more than half of its flights between Paris and Nice. TAT, a partner of British rights case," said a caller to a radio show. Airways, canceled 59 of 162 flights in the affected region. Air France said all its domestic and international flights would operate normally except for about half of its Paris-Nice flights.

KLM Royal Dutch Airlines said it had suspended its flights to

The U.S. State Department has warned Americans to avoid travel to Algeria and has advised those already there to leave if they lack "effective protection." The travel warning also urges Americans residing in Algeria to "exercise maximum caution and

Russian city hit by a diphtheria epidemic, with 700 cases and 15 deaths reported recently in the region, the Itar-Tass press agency said Friday. Physicians in Vladivostok blamed the outbreak on unsanitary conditions and the migration of people to and from the region, Itar-Tass said.

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Democrats to Forge 'Less Bureaucratic' **Health Care Bill**

By Ann Devroy and David S. Broder

WASHINGTON - Democratic congressional leaders have told President Bill Clinton they will write new health care legislation that would phase in universal coverage over a longer period than the White House wants and with a "less bureau-cratic approach," officials said.

The statement by the leaders and explanations by White House officials indicate there are not enough votes to pass Mr. Clinton's plan. But George J. Mitchell, the Senate majority J. Mitchell, the Senate majority leader, Thomas S. Foley, the House speaker and Richard A. Gephardt, the House majority leader, said the president and the Democratic leadership remain committed to covering all Americans and continue to believe that some sort of system that requires individuals, businesses or a combination to provide insurance will be in at least

the House legislation. Harold Ickes, deputy chief of staff at the White House and coordinator of health care policy, said the leaders told the president, first lady Hillary Rodham Clinton and their senior advisers that after assessing voter preferences and the votes in Congress, they were committed to coming up with "a new approach" in "a new spirit" that would be "less bureaucratic and provide for a longer phase-in period" for uni-

versal coverage.

Mr. Clinton had called for all Americans to be covered by 1998, but even the versions of the legislation in the various committees delay that because

Republican Says Top TV Networks **Back Democrats**

New York Times Service

LOS ANGELES — Accusing the major television networks of favoring the Democrats, the Republican national chairman said that his party's plan to broadcast health care commercials paid for by Ross Perot had been stalled because the networks refused to sell the time.

"It galls me no end that the networks will give Hillary Clinton — not sell her, give her — two hours on 'Good Morning America' to advocate their idea of health care reform," the Republican chairman, Haley Barbour, said at the opening of his party's summer meeting here. But Democratic officials lat-

er said that they, too, had been rebuffed in their efforts to buy blocks of time to promote President Bill Clinton's health care

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of the cost and complexities in-

Mr. Ickes said the administration continued to believe that the only way to provide universal coverage and control costs is through mandates re-quiring businesses to pay for insurance. Many members of

Congress oppose the idea.
Mr. Foley said the legislation the House will write under its new approach would likely have mandates; Mr. Mitchell was more oblique about the Senate

version's provisions. Mr. Foley said he would bring to the floor a bill, based largely on the measure reported from the House Ways and Means Committee, including a requirement that all employers buy health insurance for their

The Washington Democrat said he thought the House could pass a bill with such mandates. But he added that he plans to "stretch out" the timetable and perhaps reduce the employers' share of the cost below the 80 percent level recom-

mended by the president. Mr. Mitchell, on the other hand, was vague on the issue of so-called employer mandates, saying he had not ruled them out or in. The Senate Labor and Human Resources Committee included mandates in its draft bill, but the Finance Committee did not, and many Democratic senators have joined Bob Dole, the minority leader, in pronouncing mandates dead in the

Democrats at a House whips' counts showed them well short of a majority for mandates.

The congressional leaders and White House officials said no details of what would be produced by their new aproach were discussed and that Mr. Clinton agreed to await what the House and Senate leaders produce in the next

week to 10 days. Mr. Ickes said the group agreed only on the "principles coverage for all Americans that cannot be taken away, is affordable and offers choices to patients, and a health care system that controls costs and emphasizes primary and preven-

Mr. Foley said it was "fair to conclude" based on the meeting and their canvassing of the House and Senate that Congress had to focus on a different approach than Mr. Clinton's to health care, but one that had the same goal of coverage for everyone.

Agreement between the president and the Democratic congressional leaders, however, is no assurance of final passage of a plan acceptable to the president. The House has been unable so far to count enough votes to pass an employer mandate, and the inclusion of abortion coverage could encounter additional opposition.

Mr. Mitchell said he hoped to have a draft of the final bill ready by next weekend, and House leaders said privately that an early Senate vote for or against mandates could influence the outcome of the battle in their chamber, where voting is scheduled for the week of Aug. 8 - just before Congress's scheduled summer recess.

AMERICAN TOPICS

U.S. Swats at Nations That Bug-Spray Planes

U.S. lawmakers are seeking to curb the spraying of insecticide aboard airplanes by releasing a list of countries that follow the practice. The list contains 24 foreign countries and the U.S. territory of

American Samoa. These countries require air-lines to spray inside plane cabins to kill insects shortly before they land. Ventilation systems sometimes are turned off as flight attendants release the chemical into the air, allowing it to settle on passen-

gers and crew.
The stuff in those cans that flight attendants spray out over your heads or send out through plane ventilation systems is not an air-freshen-" said Senator Patrick Leahy, Democrat of Vermont. "It is a pesticide commonly known as Black Knight Roach

Most people suffer no more than mild discomfort, but the chemical can cause difficulties for people with breathing problems and chemical sensitivities, Senator Leahy said.

The United States banned spraying on domestic flights in 1979 after the federal Centers for Disease Control found it was not effective in preventing the spread of disease or At least 24 countries and

Samoa require the spraying. officials said. They are Costa Rica, Madagascar, Antigua, Belize, Congo, Granada, Mauritius, Seychelles, Yemen, Mexico, Mozambique, Cape Verde, the Dominican Republic, India, New Caledonia, St. Lucia, Jamaica, Argentina, Barbados, Chile, El Salvador, Kenya, Nicaragua and Trinidad and Tobago.

Short Takes

A coalition of 26 zoos in the United States and Canada is trying to raise \$30 million to help finance China's efforts to Plucked to safety by his fa-



from the World Bank building in Washington after unfurling a huge banner to protest lending by the bank that the group asserts contributes to environmental damage.

Central Intelligence Agency,

save the giant panda. Sydney Butler, executive director of the American Zoo and Aquarium Association, said an initial \$100,000 in equipment and money will arrive shortly

Wildlife officials say fires and hot, dry weather in southem Arizona may be why people have been seeing more mountain lions, including one that attacked and nearly dragged off a 2-year-old boy camping with his family in the Tonto National Forest.

ther, the boy suffered a gash in his ear that required 10 stitches. Another mountain lion wandered through a Tucson neighborhood and pawed at the window of a dwelling ore heading back into the

If you want to get ahead in the streamlined post-Cold War Central Intelligence Agency, you can wear red suits and stand on your head half the day, as long as you know your job, R. James Woolsey Jr., director of the

said in a radio inferview. couldn't care less about the eccentricities, as long as you are superb and innovative and honest at doing your job." Mr. Woolsey, aiming to defuse growing congressional pressure for deep cuts in the estimated \$28 billion-a-year intelligence budget, said. "We're cutting out a lot of levels of management. Intelligence agencies, I think, to some extent have and should have a tolerance for eccentricity."

International Herald Tribune.

Race Issue Comes to Fore in Simpson Case

inus 13 percentage points.

By Seth Mydans New York Times Service

LOS ANGELES - O. J. Simpson has never been easy to categorize. In his public and private lives, he crossed the color line to become what marketers call race neutral. Now, as a murder defendant, he is creating confusion and divisions among blacks here over his role and symbolism.

From Joe Hicks of the Southern Christian Leadership Conference, who insists that race plays no part in the case, to Dennis Schatzman of the Los Angeles Sentinel, a newspaper run by blacks, who says the case is "all about race," it is hard to find complete agreement.

"It's a Rorschach on race and gender," said Kimberly Crenshaw, a professor of constitutional law at the University of Cal-

ifornia at Los Angeles.

In the early stages of the investigation of the killings of Mr. Simpson's former wife, Nicole Brown Simpson, and her friend Ronald L. Goldman, race was a "sleeper issue," said the professor, mostly unrecognized among the rapid developments. Both

victims were white. But the issue has emerged in recent weeks as the defense team has become more aggressive in its efforts to influence The Field Poll, a California opinion re-

search agency, reported that while 62 per-

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was "very likely or somewhat likely" to be guilty, only 38 percent of blacks agreed. The survey of 847 Californians, conducted by telephone from July 12 to July

17, had a margin of error of plus or minus percentage points. Of the respondents, 58 were black; the margin of error for blacks on the question regarding Mr. Simpson's guilt was plus or

Mr. Simpson's lawyers raised the issue of race by suggesting to reporters for Newsweek and New Yorker magazines that a police detective on the case, Mark Fuhrman, had racist tendencies and could have planted evidence against Mr. Simp-

But Robert Shapiro, the lead lawyer for Mr. Simpson, said this week: "Race is not an issue in this case, and I will not bring it up, and anyone who speculated on that is just speculating on their own, and the speculation is incorrect." Legal experts said they believed that the

defense made the allegation to try to influence potential jurors with material that might be inadmissible in court. But experts in jury selection said careful pretrial questioning should weed out biased jurors, whether black or white.

Jo-Ellan Dimitrius, a jury consultant, said the extraordinary pretrial publicity,

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rather than the issue of race, would be the biggest challenge in selecting an unbiased

"This is not a murder case, it's a civil But Mr. Simpson was not a "member of the club" for politically active blacks, said

Alvin Ponssaint, a professor of psychiatry at Harvard Medical School, and did not at first win their strong support. "It's the same way a lot of blacks supported Clarence Thomas even though they were opposed to his views," Mr. Poussaint said. "Ultimately they supported him be-

cause he was a black man under attack." The more vigorously Mr. Simpson has been pursued by the criminal justice system, the "blacker" he has become, Mr. hatzman said.

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Lyon, Nice and Marseille. to re-evaluate their personal security practices." The Far Eastern port of Viadivostok has become the latest

Japan Airlines says the Transport Ministry has allowed it to begin service between Kansai International Airport in Osaka and Mr. Simpson pleaded "absolutely, 100 begin service between Kansai International Airport in Osaka and percent not guilty" Friday to the slayings of his ex-wife and her friend, The Associated Press reported from Los Angeles. Mr. Simpson made the plea in a strong, firm flights between Osaka and Honolulu and from three to seven on flights between Osaka and Honolulu and from three to seven on the Osaka-Guam tonic via Sampson. Kansai Airport is to open in voice at his Superior Court arraignment the Osaka-Guam route via Saipan. Kansai Airport is to open in before the supervising judge, Cecil Mills. early September.



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THE AMERICAS / BREATHER

Nine Will Receive Top Civilian Medal

WASHINGTON - Robert H. Michel, who is retiring as the leader of House Republicans, and Lane Kirkland, the president of America's largest labor organization, the AFL-CIO, are among nine Americans who will be awarded the Presidential Medal of Freedom, the nation's highest civilian

The White House said President Bill Clinton will present the medals at a ceremony Aug. 8. The other honorees are:

• Herbert Block, the Washington Post cartoonist better known by his pen name, Herblock. He has contributed to the newspaper's editorial page for nearly half a century, earning numerous journalism awards, including the Pulitzer Prize.

• Cesar Chavez, the late founder of the United Farm Workers of America. A champion of Hispanic farm workers, he became one of the most influential labor leaders in the United States Arthur Flemming, who served in federal government

under every president from Franklin Delano Roosevelt to Ronald Reagan, including terms as secretary of health, educa-tion and welfare, chairman of the White House Conference on Aging and chairman of the Civil Rights Commission. R. Sargent Shriver, the first director of the Peace Corps.

He later ran President Lyndon B. Johnson's Office of Economic Opportunity and served as ambassador to France and

chairman of the Special Olympics.

I James Grant, executive director of Unicef.

Dorothy Height, a civil rights activist for a half century.

Barbara Jordan, a former member of Congress from Texas and a professor who advanced civil rights and ethics in

Government Not Liable in Radiation Suit

LOS ANGELES - Bringing an end to an acrimonious chapter in U.S. nuclear history, a federal judge has ruled against six men who claimed they contracted cancer from exposure to radiation at the Nevada Test Site, an infamous stretch of restricted desert north of Las Vegas.
U.S. District Judge Phillip Pro ruled that the government

was immune to lawsuits in such matters and therefore he had no jurisdiction to rule in the case. He went on to say that there was not enough evidence to show that the cancers - ranging from a brain tumor to multiple myeloma — were caused by government negligence or that they stemmed from exposure

The case, decided in Las Vegas, was the last of the major lawsuits against the government stemming from nuclear weapons testing. The majority of the cases, along with annual demonstrations by anti-nuclear activists, focused on the arid expanse of desert where atomic weapons were tested above ground in the 1950s and early 1960s.

Of the five major cases, the government has won four. The fifth is being appealed. Stewart Udall, a former secretary of the interior who brought many of the cases against the government, including the one decided this week, said the decision "slams the door shut" on future suits against the government.

Kennedy Center is Closer to Autonomy

WASHINGTON - President Clinton has signed broad legislation transferring full control of the Kennedy Center from the National Park Service to the center's board of

"This is something the board and management of the Kennedy Center should be able to do as well or better than anyone in the country," said the center chairman, James D. Wolfensohn, who lobbied heavily for full autonomy. He said the change was needed to rectify an "inefficient and ineffective" system of management.

The law is one of the last steps toward ending the dual management of the the performing arts complex, which opened in 1971. Fully expecting the restructuring to be approved this summer, the center has started the transition, 1995, the beginning of the center's 25th anniversary.
The center has 3.5 million visitors a year.

Quote/Unquote

granes en Sid

Kathleen dellaski, a Defense Department spokeswoman, acknowledging that hackers had broken into Pentagon computers through the Internet communications network: "I want to stress that the command and control of the Defense Department is in no danger."

Away From Politics

 Air traffic controllers switched on the nation's first windshear radar system, allowing them to give pilots earlier warnings of the dangerous shifting winds. The system at Houston Intercontinental Airport is the first of 47 Doppler radars to be installed nationwide at airports in areas prone to storms.

 Rain off the Florida coast kept Columbia and its menagerie of sea creatures and bugs in orbit an extra day, and will make shuttle endurance champions out of seven astronauts. Be-cause of storms, the National Aeronautics and Space Admin-istration prohibited the space shuttle from touching down on the landing strip at Cape Canaveral, Florida.

• The Christian Science Church named David Cook editor of the Christian Science Monitor, replacing Richard Cattain who was named editor-at-large. Mr. Cook will also oversee the church's radio news broadcasts, the first time that both the paper and the Monitor's radio staff have reported to the same editor.

• An Iranian man pleaded guilty to killing a woman by dousing her with gasoline and setting her afire in what the prosecutor in Jacksonville, Florida, called "a spontaneous act of barbarism." Mahyar Ebrahimi-Zadeh. 24, pleaded guilty to second-degree murder and first-degree arson in the death of Beverly Christian Taylor. Witnesses said the two, who had known cosh other for a bourt a wear argued at a gas station before she each other for about a year, argued at a gas station before she went inside to pay for gasoline. When the woman returned, Mr. Ebrahimi-Zadeh sprayed her with fuel, then chased her with a lighter until he set her ablaze.

• An army sergeant was found guilty of mardering a female lieutenant who lived in the same barracks at Fort Bragg, North Carolina. But because the military jury did not vote unanimously, the sergeant was spared the death penalty. After deliberations of two and a half hours, Sergeant Ervin M. Graves was found guilty of premeditated murder and murder while attempting a rape in the shooting death last year of Second Lieutenant Lisa N. Bryant of Fairfax, Virginia.

• The world's largest sockeye salmon run has been strong, but short of projections, The Alaska Department of Fish and Game reported. It said that a return of 46.1 million sockeye salmon had yielded a harvest of 32.3 million fish. Last spring, the department projected a return of 56 million fish and a AP, NYT, Reuters harvest of 39.6 million.



PRICE.

Judge Delays Suit to Study Issue of Clinton's Immunity

By Sharon LaFraniere Washington Post Service

WASHINGTON -A U.S. judge in Little Rock, Arkansas, said she will decide whether President Bill Clinton is immune from civil lawsuit while in office before allowing Paula Corbin Jones's complaint against him to pro-ceed. It was a significant legal victory for Mr. Clinton, who is accused of violating Mrs. Jones's civil rights by sexually harassing her in 1991.

District Judge Susan Webber viously unrecognized in any court."

years to sue, suggesting she could tol-erate further delay while the immunity

Judge Wright said Mr. Clinton, who fundamental protection from suit pre-

dent from his constitutional duties. eter" of his official responsibility as considering the immunity issue first. ton's claim of immunity would ulti-She said Mrs. Jones is but "a single president. No court has ever decided Mrs. Jones's attorneys contended that mately be heard before the Supreme She said Mrs. Jones is but "a single president. No court has ever decided individual" who is seeking relief "of a whether a sitting president could be purely personal nature." She also not sued for conduct that purportedly oced that Mrs. Jones waited nearly three curred before he took office, the judge

Mr. Clinton may or may not prevail, the judge wrote, but he clearly "raises wants to postpone the proceedings un-til he is out of office, was seeking "a will directly impact the institution of significant and important constitu-

for dismissal, including immunity.

"Certainly that is one way to handle his argument. a case, but it is not the only way it can be done," Judge Wright said.

Robert S. Bennett, Mr. Clinton's atruling. Joseph Cammarata, one of Mrs. Jones's attorneys, said the judge did not reject his legal reasoning, but Wright said that the issue of president in 1982, the Supreme Court ruled The judge rejected the argument simply chose a different option on how tial immunity deserved priority bethat Richard Nixon was not legally made by Mrs. Jones's attorneys that to proceed.

cause lawsuits can distract the presi- liable for acts within the "outer perim- U.S. procedural rules prevent her from Attorneys predicted that Mr. Clin-Mr. Clinton must file a single motion Court. Judge Wright said her decision that covered all the possible grounds would be immediately appealable. She gave Mr. Bennett until Aug. 10 to file

حكذا من الأصل

Mrs. Jones, a former Arkansas state clerical employee, alleged that as governor Mr. Clinton made sexual adtorney, said he was pleased with the vances and exposed himself to her while she was working at a 1991 statesponsored conference. She also said Mr. Clinton and a state policeman violated her civil rights and defamed

Decision to Consult UN First Puts Off Any Haiti Invasion

They said, however, he had concluded that the best course

was to seek a go-ahead from the

Under the administration's

two-stage plan, the Security Council would give its blessing

to efforts by the United States

and other member states to do

nant role in an invasion of Haiti

tions, then to disarm and dis-

as soon as possible to the UN

peacekeeping mission, in which

American troops would play a

and finally to hand over power

ment was restored.

Security Council, even if that

issue is resolved.

By Douglas Jehl
New York Times Service

WASHINGTON - President Bill Clinton's move to seek explicit UN authorization for force to oust Haiti's military leaders is likely to put off any military action until late August at least, according to senior American officials.

The decision reflects a sense of diminished urgency within the administration now that the flood of refugees from Haiti has tacks on civilians within the dwindled to a trickle, the officials said.

They said it also shows Mr. launch an invasion without UN Clinton's uneasiness about tak- approval. ing unilateral military action even within the hemisphere unless he sees no alternative.

By seeking formal approval Security Council, even if that from the United Nations to use meant waiting well into August "all means necessary" to re- to line up support and persuade move Haiti's leaders from pow- other countries to join at least er, Mr. Clinton hopes first to in small numbers in an Ameripersuade the Haitian military can-dominated invasion force. that the United States is not alone in its insistence that they step down or face attack.

The White House hope is that a UN endorsement would finally give credibility to months of American threats, which Haiti's leaders have appeared to dis-count. If Haiti's military leaders still refuse to leave, the officials said, advance approval by the Security Council might at least minimize the political risk to an invasion that is now being fiercely opposed by many in Congress, the American public and in Latin America.

Taking the matter before the Security Council raises the danger that one of the other permanent members could veto it.

ing much the same path as Pres- been crafted with attention to Associated Press reported Fri- officials said. ident George Bush took nearly the lessons of Somalia, when day from Jerusalem. four years ago in seeking to per-suade President Saddam Hus-can-led effort to disarm warring sein of Iraq to withdraw from .clans left U.S. forces in peril that his government had re-

Many details about the U.S. Even as Madeleine K. Albright, the U.S. representative plan for Haiti remain unreat the United Nations, outlined solved, including whether the the plan on Thursday for the United States would ask the Sefirst time, administration offi- curity Council to set a specific cials were expressing confi- deadline for Haiti's military dence that mounting impa- leaders to step down.

tience among other countries at But American officials exthe intransigence of Haiti's pressed confidence that the 15leaders would lead the Security member group would endorse, Council to give its backing. perhaps by the end of next week If U.S. citizens in Hairi sud-denly fall into peril or if Haiti's month, the threat to use "all If U.S. citizens in Haiti sudmeans necessary" to force Haiti's leaders from power. next several weeks, the officials said, the president might still

While China has usually been unenthusiastic about military intervention by others and Russia has used discussions on Haiti to press for sending its own peacekeepers to Georgia, the officials said they did not believe either country would block the U.S. plan.

Among Latin American countries who now hold seats on the Security Council, Brazil is known to have reservations about an invasion, but U.S. officials said Mrs. Albright's meeting Thursday with her Brazilian counterpart had left them honeful.

whatever necessary to restore They also were confident that the legitimate government of Haiti. At the same time, it Argentina, which has joined with the United States, Canada, would authorize a UN peace-Venezuela and France in conkeeping force once the governsultations about how to end the standoff in Haiti, would ulti-In practice, that would allow mately support Washington. U.S. forces to play the domi-

No previous American president ever sought UN approval authorized by the United Na- in advance for military action within the Western Hemimantle that country's military sphere. ■ Israeli and Dutch Roles? An Israeli official said the

United States asked Israel to join a peacekeeping force in Haiti if one is organized. The A spokesman at the Dutch

Defense Ministry confirmed and the country still in anarchy. ceived a similar U.S. request.



Two members of Argentina's Jewish community attending the protest in Buenos Aires.

100,000 Argentines Protest Fatal Bombing

people, more than 100,000 Argentines marched in the rain to demand the capture of those

Ten blocks away, the search for bodies continued. But hopes of finding survivors in the rubble dwindled. Sixty-five people were missing and at least 206 were injured in Monday's explosion,

bomb," said an official at the Israeli Embassy. Israeli intelligence agents and the FBI are aiding

the investigation.

med Yousif, 31, an Iraqi detained while trying to BUENOS AIRES—Outraged over the bombing of a Jewish center that killed at least 42

He was still in custody Thursday night.

An Israeli Foreign Ministry official, Dov Schmorak, said he believed the attack originated from outside Argentina, "from the Middle East." He added, "It's difficult to imagine there wasn't any local help."

The seven-story building that was leveled housed offices of the Argentine Jewish Mutual The strongest possibility is that it's a car Association and the Delegation of Argentine Jewish Associations.

President Carlos Saúl Menem, his cabinet and Judge Juan José Galeano questioned Moham- society attended the march.

leaders from nearly every sector of Argentine

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CHURCH OF CHRIST THE KING (Epieco-pal/Angicari) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebestian Pinz St. 22, 60:23 Frankfurt, Ger-many, U1, 2, 3 Miquel-Alice. Tel: 49/69 55 01 84.

GENEVA EMMANUEL CHURCH, 1st, 3rd & 5th Sun. 10 am. Eucharisl & 2rd & 4th Sun. Morning Prayer, 3 rue de Monthoux, 1201 Geneva, Switzerland, Tel.: 41/22/32/2078.

MUNICH THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstras-se 4, 81545 Munich (Harlaching), Germany.

ST. PALL'S WITHIN-THE-WALLS, Sun. 8:30 ST. PAUL S WHITEN HIS WALLS, SUIT 6531 am, Holy Eutherist Ris I; 10:30 am, Choral Eucharst Rite II; 10:30 am, Church School for charter & Nursery care provided; 1 p.m. Spe-nesh Eucharist, Va. Nepol 58, 00:184 Rome. Tel: 396 488 3339 or 39/6 474 3569.

WATERLOO ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 am Holy Euchans with Children's Chapel at 11:15. All other Sundays: 11:15 am. Holy Eu-chanst and Sunday School. 563 Chaussee de Louvain, Chain, Belgum, Tel. 32/2 384-3556. WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucha-rist. Frankurter Strasse 3, Wasbaden, Ger-many, Tel: 49611.30 56,74.

EUROPEAN **BAPTIST CONVENTION**

BARCELONA FAITH FELLOWSHIP INTERNATIONAL

meets at 900 a.m., Boha Nova Bopist Church Carrer de la Cutat de Ballaguer 40 Pastor Lance Borden, Ph. 439-5059.

INTERNATIONAL BAPTIST CHURCH, BERLIN, Rotherburg Str. 13, (Siegliz), Bible study 10 45, worship at 12,00 each Sunday, Charles A. Warford, Pastor, Tel: 030-774-BONN/KŌLN

Palkady Baptist Church Zrinskaho 2 16:30-1745. Contact Paster Jozep Kulacik, Tel: BREMEN

INTERNATIONAL BAPTIST CHURCH (En-RN E-PARATIONAL SAPTIST CHUHCH (En-glish language) meets at Evengelish-Freito-chlich Kreuzgemeinde, Hoherlichestrasse Hermann-Base-St. (antum the comet from the Bahnfor) sunday worship 17:00 Ernest D. Walter, pastor. Tel. 04791-12877. BUCHAREST

INTERNATIONAL BAPTIST CHURCH. Strada Pops Rusu 22, 3:00 p.m. Contact Pas-tor Mike Kemper, Tel. 312 3850.

BUDAPEST Interretional Baptist Fellowship. Il Bimbo u. 56 (meh entrance Tapotasanyi u. 7, immediately behind front entrance). 10:30 Bible study. 6:00 p.m. Pastor Bob Zöhnden. Tel.: 1156116.

Reached by bus 11. BULGARIA

INTERNATIONAL BAPTIST CHURCH, World Trade Center, 36, Drahan Tzankov Blvd, Worship 11:00. James Duke, Pastov. Tel: 704357. **CELLE/HANNOVER**

INTERNATIONAL BAPTIST CHURCH, Windrusen Strasse 45. Celle 1300 Worshp, 1400 Bible Study. Pasior West Campbell, Ph. (05141) 46416. DARMSTADT

DARMSTADT/EBERSTADT BAPTIST MIS-SION, Bible study & Worship Sunday 10:30 a.m. Saddmission De-Eberstad, Bueschelst. 22, Bible study 9:30, worship 10:45. Pastor Jim Waltib. Tel. 06155-6008216. DÜSSELDORF

NTERNATIONAL BAPTIST CHURCH. English. s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kirchweg 2.D-Kalserswerth. Frendly leidworship. All denormalions welcome. Dr. W.J. Delay, Pastor. Tel: 0211400 157.

FRANKFURT

NTERNATIONAL CHRISTIAN FELLOW-SHIP Evangelisch-Freidrichliche Gemeinde, Sodenerst. 11-18, 6390 Bad Homburg, pho-ne/Fax: 06173-62728 serving the Franklut and Taurus areas, Germany, Sunday wor-ship 09:45, nursery + Sunday-school 10:00, women's bible studies. Housegroups - Sun-day + Wednesday 19:30. Paster M. Levey, member European Baptist Convention. "De-dare His glory amongst the nations."

SETHEL INTERNATIONAL BAPTIST CHURCH, Am Dadrsberg 92. Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill pastor, Tel: 0:59-549559. HAMBURG

INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FEST-SAAL, AM ISFELD 19, Hamburg-Ostdorf. Bible Study at 11:30 & Worship at 12:30 each Sunday, Tel: 040/620516.

HEIDELBERG GRACE INTERNATIONAL BAPTIST CHURCH, Industrie Str 11, 6902 Sandhau-sen, Bible study 09:45, Worship 11:00, Pastor Paul Hendito, Tel: 06224-52295.

HOLLAND TRINITY BAPTIST S.S. 9:30, Worship 10:20, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar.

MOSCOW

INTERNATIONAL BAPTIST FELLOWSHIP Musting 1100: Kino Carller Building 15 Druz-Druzhmikovskaya UL 5th Floor, Hall 6, Metro Station Barrikadnaya Pastor Brad Stamey Ph

11:00 a.m. 65, Quai d'Orsoy, Pans 7. Bus 63 al door, Metro Alma-Marceau or Invaldes. STOCKHOLM MMANUEL CHURCH, Worship Christ in Swedish, English, or Korean, 11:00 a.m. Sunday, Birger Jarisg, at Kungstenag, 17, 46/08/ 15 12 25 x 727 for more

VIENNA VIENNA COMMUNITY CHURCH, Sunday

worship in English 11:30 A.M., Sunday school, rursery, international, all denominations welcome. Dorotheorgasse 16, Vienna 1. WARSAW WARSAW INTERNATIONAL CHURCH,

plesent English language experiates, Sun-ys 11:00 a.m. (Sept.-May), 10 a.m. (June-ig.); Sunday School 9:55 (Sept-May) U.L. odowa 21. Tel.: 43-29-70. ZURICH

INTERNATIONAL PROTESTANT CHURCH

Burma in ASEAN? It May Be in the Cards

West Fears Membership Would Ease Pressure on the Regime

By Michael Richardson International Herald Tribune

BANGKOK - Burma was welcomed Friday as a potential member of the Association of South East Asian Nations despite concern from Western countries with close ties to the ASEAN group that such action would reduce pressure on the Burmese military regime to end political re-

U Ohn Gyaw, the Burmese foreign minister, attended the opening session of the annual meeting of foreign ministers of ASEAN as a guest of Thailand.

With foreign ministers attending from Vietnam and Laos as observers and the foreign minister of Cambodia as a guest, it was the first time that ministers from all 10 countries of Southeast Asia had been at an ASEAN conference. Members are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Nguyen Manh Camh, the Vietnamese foreign minister, said his country was "now actively making practical prepara-tions to become a full member of ASEAN soon." Some ASEAN officials predicted that this could occur within two or three

During the Cold War, ASEAN and the three nations of Indochina were on opposite sides, while Burma was in self-imposed isolation. However, as the Indochinese states and Burma moved away from state socialism and adopted market-opening policies in recent years, differences with ASEAN were sharply reduced.

ASEAN's trade with, and investment in, the four neighboring countries, all of which have rich natural resources and cheap labor, has increased substantially.

"The trend, as never before, is toward greater regionalism" and "a truly regional community of nations of Southeast Asia," said Prasong Soonsiri, the Thai foreign

Welcoming U Ohn Gyaw's presence, he said that Southeast Asian regionalism might in the foreseeable future be expanded to include the Indochinese countries and Burma since they were "progressively advancing toward market-oriented economies." Other ASEAN ministers expressed similar sentiments.

"While expansion of ASEAN membership will no doubt lead to adjustments in consultation and decision-making procedures, an expanded ASEAN will mean a more dynamic Southeast Asia, which in turn will fuel the ongoing energy which pervades the Asia-Pacific" region, said S. Jayakumar, Singapore's foreign minister.

However, the United States and Australia — which will join the European Union, Japan, South Korea, Canada and New Zealand next week in Bangkok for annual talks with ASEAN — recently expressed reservations about the group's pelicy of 'constructive engagement" with Burma.

Gareth Evans, Australia's foreign minis-

ter, said Thursday that the Burmese junta had not done enough to improve human and political rights to justify being invited to the ASEAN meeting.
Winston Lord, the U.S. assistant secre-

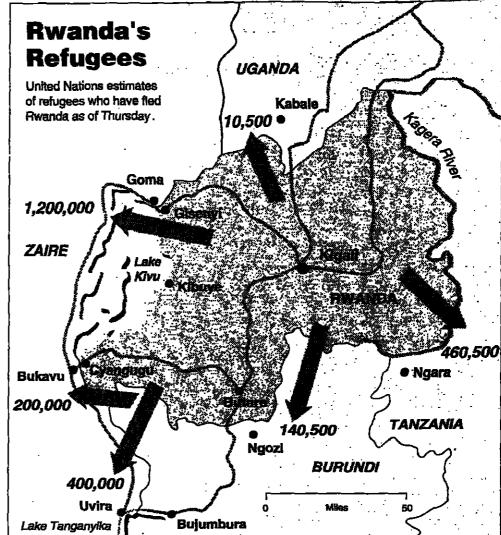
tary of state for East Asian and Pacific affairs, said in Washington on Wednesday that American policy toward Burma was "more one of ostracism" than engagement.

He said the Clinton administration had seen no real signs of progress in human rights in Burma "and we think there's some dangers to overly engaging them and perhaps suggesting legitimacy versus our

Mr. Lord urged ASEAN to press the Burmese military regime to hold talks with the detained opposition leader. Daw Aung San Suu Kyi, on political reform. Daw Aung San Suu Kyi, who was awarded the Nobel Peace Prize in 1991, on Wednesday began her sixth year under house arrest in

Rangoon.
She led the opposition National League for Democracy to a landslide victory in the 1990 elections, but the military ignored the result and refused to transfer power.

Thai officials said the Burmese military government had taken a number of steps in the past year to improve the situation and was now ready to open direct talks with the United Nations. This "indicates that the Burmese government is ready to cooperate with the outside world," Mr.



RWANDA: In the Camps, Scenes from the Inferno

Continued from Page 1

renewed attacks by marauding soldiers of the defeated Hutu army.

Reporters saw one man being savagely clubbed after a rumor spread that Tutsi were poisoning water supplies to kill Huta. The bodies of several others who had clearly been beaten to death lay nearby.

The massacres began after the Rwandan president, Juvenal Habyarimana, was killed in an airplane crash on April 6. His followers in the defeated government have taken his body to Zaire, along with Rwanda's cash reserves, and Reuters reported that they were staying not with the refugees but in the priciest hotels in the capital, Kinshasa.

The new government in Rwanda, which the Hutu refugees fear is led by Tutsi supremacists out to kill them, called on the refugees to return on Friday, assuring them they had nothing to fear if they had not taken part in the massacres. The prime minister, Faustin Twagiramungu, a Hutu, said the aid agencies should offer food on Rwandan soil as an incentive for the refugees to

Ray Wilkinson, a spokesman for the High commissioner for Refugees in Goma, said he

was putting the agency's reputation on the line by saying he thought it safe for the refugees to

Mr. Butros Ghali said he had asked a senior aide to go to Rwanda to discuss the return of the refugees and the coordination of humanitarian

He said it was the government's responsibility "to ensure that there is neither revenge nor reprisals, and that all Rwandese can return in absolute safety to their homes."

"The circle of suspicion and ethnic hate must

be broken," he added. But the Patriotic Front's assurances fell mostly on deaf ears, with only a few hundred refugees deciding Friday that they would sooner trust their luck with the new regime in Rwanda than face starvation and cholera in the festering refu-

French officials said the Patriotic Front had put conditions on the return of people to their nomes, including a requirement that they be illiterate and that no member of their family have belonged to the Rwandan armed forces. A former government official said he was afraid the Front would kill any Hutu who could read or

SLANG: A New Dictionary Runs From 'A' to 'Gytch'

he ever did with all the hubcaps we used to gytch"). They come from a dazzling galaxy of liter-ary citations, from Ambrose Bierce to "Wayne's World."

"Blubberbutt" (a grossly fat person), "chiphead" (a computer enthusiast), "diddlybopper" (a young street hoodhum) and "doodly-squat" (the least bit) make the book, as do "doofus" (a fool), "fopdoodle" (a blockhead) and "garbonzas" ("Bootsie's not just another humon-

424 Moroccans Amnestied

RABAT — A total of 424 dictionary will be published by prisoners granted amnesty by Random House in 1996 with King Hassan II have been letters H through R, and Volfreed, the Moroccan Human time 3 the following year filling out the alphabet. At \$50 a vol-Rights Association said.

Commandments Not Ten Suggestions." There are snippets of song or verse like "What a Friend We Have in Jesus." Some are church signs to

ponder, like "Is Jesus Your Hope or Your Ex-

cuse?" Others could be country music songs like "You Can't Walk With God if You Run With the

Sometimes they have the stern, "Onward Christian Soldiers" sound of Pat Buchanan at

the 1992 Republican Convention ("One on

God's Side Is a Majority") or an unyielding sense of fundamentalist probity ("Partial Obedience is Disobedience"). More often they strive for an

awestruck sense of roadside rapture ("Jesus

Asked the Impossible, Did the Incredible and

Loved the Unlovable") or are supposed to prod

the wayward back to the path ("Seven Days Without Prayer Makes One Weak").

Manger Cry to His Last Cry on the Cross, He

Loves Us Still"), Mother's Day signs ("An

Ounce of Mother Is Worth a Pound of Preach-

cr") and riddle signs ("CH-CH — What's Miss-

Some purvey folk wisdom rather than biblical

truth like the pithy one recently displayed at the

There are Christmas signs ("From His First

Continued from Page 1

The cultural focus of slang in tended from "A" (as in "you bet your fat A!") to "gytch," a 1950-esque term meaning "to steal" ("Don't know what ... he ever did with all the hubcaps

The cultural focus of slang in ume, how many volumes does the expect to sell? "Well, so far," he deadpanned, "I know of 11."

The lengthy project by the lengthy and intriguing intro-

duction. "An opposing picture of the real world could as well be evoked by reflecting upon the rich English vocabulary of faith and philanthropy," he wrote. "However, such a rendering would be no more accurate, though admittedly more reas-

Slang terms for sexual organs, bodily functions and ethnic derision make up the largest categories in the dictionary, he says, reflecting a timeless irreverence characteristic of slang in

reneral. The F-word alone gets Volume 2 of Mr. Lighter's

lish teacher was underwritten in part by three grants from the National Endowment of the Humanities totaling nearly \$400,000. The endowment chairman,

Sheldon Hackney, wondered whimsically this week "what this dictionary is supposed to do" for the federal government in return for the money.

"Perhaps by capturing all these words and putting them in a cage we have somehow defanged them," he said. But American slang, said Mr.

Lighter, "is like a wilderness where words jump from behind a bush whenever they feel like

He added: "It's always burgeoming and it can never be tamed. I'm just trying to make a decent map of the territory."

Concrete - Mixed Up and Set One Way."

"You're putting up something in 15 words, or

in a few words, and to say something in those few

words is pretty difficult," said Mr. Ward of Unity Missionary Baptist Church here. "Like

General Eisenhower said one time, 'If an order can be misunderstood,' it will be misunderstood.'

So if a slogan can be taken more than one way, it

A good church sign ("A Christian Who Rests, Rusts") is a model of clarity and compression,

but sometimes the highway preaching does get confusing. A drive-by congregant looking for

spiritual sustenance on the Florida Panhandle

recently had to look twice to get the message ("Your Choice Hoover Eureka Uprights) outside

the Macedonia Baptist Church in Pensacola. It

that made it clear the sign was not offering

comfort for the soul, but instead was hawking

vacuum cleaners at the strip shopping center

Oh well, as Mrs. Yon's sign has said, "God

was only the notation at the bottom - \$49.

tionals?" an aide asked. SOUTH: Bible Belt's Road to Paradise Is Well Posted

"I said seize the airport; we'll see about the rest later on," the president said. That night French forces secured the airport, only to leave a few days later when Belgium started a South Carolina: "Some People's Minds Are Like European exodus. Church sign connoisseurs say there is an art to

No Doubts

On Quitting

By Joseph Fitchett

PARIS - French officials

say that up to 2 million more

Rwandans are liable to flee to

Zaire in the coming weeks, pos-

sibly doubling the crushing

weight of refugees there, as

French troops pull back and finally leave their security zone

The Hutu population, feating

fresh onslaughts by the new

Tutsi-controlled rulers of

Rwanda, will be tempted to

seek the safety of the closest

The worsening humanitarian crisis is unlikely to modify sig-mificantly French determina-tion to use the cessation of hos-

tilities as the occasion for a

clean exit by its armed forces,

ending an intervention that fi-

nally won international support

In the view of French policy

makers, the rest of the world

can now be expected to take up

the relief challenges in the wake

of a slaughter that France alone

Appeals on Friday by the

Clinton administration, the United Nations and others for

France to leave its forces in

place in Rwanda beyond their

slated withdrawal date of Aug.

21 will fall on deaf ears in Paris,

Asked if France might have

His terse verdict reflected a

French officials said Friday.

second thoughts, a French poli-cymaker said: "Not at all."

mood in Paris forged during

weeks when France acted inde-

pendently in Rwanda, sent in

peacekeeping troops without waiting for a cease-fire and held

a security zone to prevent gene-cide. Until now, French actions

aroused only indifference and

fears, and outright criticism in

some cases, among its Western allies and most African govern-

The disensua that will follow

French forces' withdrawal from

Rwandan territory is clear: "As

our troops pull back in stages," an official said, "the local popu-

lations will panic and flee de-spite everything we're doing to make cooler heads prevail."

French officials have sought to persuade the new govern-ment of Rwanda to do whatever

necessary to reassure the Hutu

living under French protection.

Otherwise, they point out, the government could have a

Semi-definanchi country of Rwandan Hutu living just

Paris is determined to avoid

being drawn into an unwieldy

mix of military action and mul-

tilateral diplomacy of the sort

that had disastrous results for

Describing the French deci-

the United States in Somalia

sion-making process, an official

said President François Mitter-

rand ordered action shortly af-

ter the fighting started. Stand-

ing to greet an African visitor, Mr. Mitterrand, 76 and suffer-

ing from a painful cancer, was informed that Belgian troops

had withdrawn from the Rwan-

dan capital's airport, causing

uncertainties about a possible

"Send two companies and

"And evacuate French na-

seize the airport," Mr. Mitter-

airlift for French civilians.

rand replied.

across the border in Zaire.

intervened to limit.

only after it was completed.

in Rwanda.

foreign territory.

In Paris

Rwanda

2 Missing Envoys Surface in Algeria

Agence France-Presse ALGIERS — The ambassa dors of Yemen and Oman in Algeria, who had been missing for a week and were reported to have been kidnapped, have been found "safe and well," Algerian security officials said late

Their Moroccan driver and a Yemeni guest of theirs who also had been missing were reported to be safe as well

The men were last seen in the fundamentalist stronghold of Khemis el Khechna, near Algiers, on July 15. Their burned vehicle had been found in the

BOSNIA: U.S. Disputes Russian View on Serbs' Reply to Partition Plan

next door.

Greater Highway Church of Christ in Marion, doesn't call the qualified, he qualifies the called."

Continued from Page 1

plan but refuse any further bargaining.

Time is being bought for the Serbs by the Contact Group," a senior UN official said. "But we can't let them prevarieate too long if the intention was to disperse Westem policy once again. We shouldn't let

Mr. Perry was completing a weeklong rip through southeastern Europe to assess military options in Bosnia after the Serbi-

With fighting picking up, the Sarajevo airlift remained suspended Friday. Relief

small arms fire hit three planes, including a U.S. C-141 transporter.

out Ukrainian UN peacekeepers Friday was hit by ground fire near Sarajevo airport, The Associated Press reported. At least one man aboard was wounded.]

Kris Janowski, a spokesman for the UN igh Commissioner for Refugees, said a decision would be made Sunday on whether

around Zavidovici, a government-held. town in northeastern Bosma. There was

simple "yes" to a map for Bosnia's partition along ethnic lines as the only way that the Serbs could avoid punitive action, such as tightening of an international embargo.

In Bonn on Friday, a special session of Parliament approved strengthened sea and air patrols in the Balkans, for the first time applying a court ruling that allows German troops to join allies fighting overseas.

The measure, approved 424 to 48 with support of the government and the main opposition party, will give German ships in the Adriatic the right to challenge, fire over the bow or board ships to enforce an cambargo against the Serb-led rump state of

Japan Conservatives to Join Anti-Nuclear Protest

TOKYO - The conservative Liberal Democratic Party of Japan has accepted an invitation from Prime Minister Tomiichi Murayama's Socialists to take part in a rally against nuclear arms next month, party officials

said Friday. In an effort to solidify his unusual alliance with the Liberal Democrats, Mr. Murayama declared this week that his Sogrounds to scrap the country's called for in the party's plat-

military. Now the Liberal Democratic invitation to take part in an annual rally of the Japan Condrogen Bombs, or Gensuikin,

from Aug. 3 to 6.
In addition, the president of Kono, Mr. Murayama's deputy and foreign minister, has said

The Liberal Democratic Par-Party has accepted a Socialist ty, which returned to government in a coalition with the Socialists on June 30 after losgress Against Atomic and Hy- ing power last August, has long campaigned to rewrite the U.S.drafted constitution.

More than 8,000 Japanese the Liberal Democrats, Yohei anti-nuclear activists and delegations from international groups are to take part in the cial Democratic Party would no his party will not seek to revise anti-nuclear rally in Hiroshima. longer fight on constitutional Japan's pacifist constitution, as where the United States number is far larger.

dropped the first atomic bomb. Traditionally, the Liberal Democrats refuse to attend Gensuikin events because the Social-

ists sponsor the organization. Gensuikin officials said they hoped the party's move would be a step toward the group's goal of a law to help "hibakusha" people who suffer from exposure to radiation.

The government recognizes 340,000 hibakusha, but the anti-nuclear camp says the

Christopher Urges Patience for Syria-Israel Pact

By John M. Goshko

Washington Past Service
SHANNON, Ireland — Secretary of State Warren M. Christopher said Friday that he believed there was a great opportunity for progress in the peace talks between Israel and Syria, but he also warned that it would take considerable time to close the gaps which are still dividing the two adver-

Mr. Christopher gave that assessment to reporters aboard his airplane while returning home from a weeklong Middle East visit that included two days of talks with Hafez Assad, the president of Syria. He said that both Mr. Assad and the Israeli

prime minister, Yitzhak Rabin, had asked him to resume his mediating role quickly, and that he had agreed to return to the

region in early August. "We should not expect a significant breakthrough in the near future," Mr. Christopher said. "I do think there's a great opportunity to make progress on the Syrian track. But while there's opportuni-

ty, the gaps are considerable." Mr. Christopher acknowledged that there was a substantial difference between the agonizingly slow pace of the Syrian-Israeli talks and the dramatic breakthrough in Israel's current negotiations

President Bill Clinton is to hold a White House summit meeting Monday between Mr. Rabin and King Hussein of Jordan that is expected to conclude with a declaration ending the 46-year state of hostilities between Israel and Jordan.

■ Israeli Troops Kill Palestinian Israeli troops killed a Palestinian man during a riot Friday in the West Bank, The

Associated Press reported. Meanwhile, thousands of Palestinian opponents of the peace process demonstrated in Gaza, defying threats by Palestinian authorities to crack down on oppo-

with Jordan. Secretary Reframes U.S. Obligation in Rwanda

By Elaine Sciolino

New Yark Times Service SHANNON, Ireland - Secretary of State Warren M. Christopher said Friday that genocide was occurring in Rwanda but that the United States and other nations have for the first time at the White no legal obligation to stop it.

In remarks to reporters en route to Washington from Damascus, Mr. Christopher also said that the United States, Russia and the Europeans must now decide how to penalize the legal, not moral, terms.

Bosnian Serbs following their rejection of a plan for peace. And he hinted that King Hussein of Jordan and Prime Minister Yitzhak Rabin of Israof war when they meet publicly

House on Monday. Mr. Christopher's statements on Rwanda illustrate how the Clinton administration has framed the issue of responsibility for ending the crisis there in

up to a million people in Rwan-da constituted genocide, he said, "Yes, I think that actions in Rwanda do constitute genoel may announce a declaration cide." But he added that interending their 45-year of a state national law does not require outside countries to take steps

to stop it. The international community as a whole has a general obligation to do what they can to avoid genocide, but it does not impose on the United States or any other country a specific obligation to go into that country

Asked whether the murder of and to prevent the genocide, either by the use of force, or

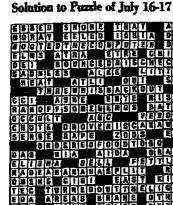
> As for the Middle East, Mr. Christopher said that he felt he had made enough progress on this trip to justify his return to the region in the beginning of gous set of garbonzas").

But he also acknowledged that "there are significant gaps" between Israel and Syria and that no one should expect any "dramatic breakthrough in the near future."

FAMOUS DIETERS By Matt Gaffney



32 German



and after "to Jerk Baskethall.

10 Cool off

97 Cru of horror. in the comics 98 1989 Paul McCartney 102 Ruling groups

78 Nobody, in

ancient Rome

118 Relative of the midge 121 Onetime Indias

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107 "---- of God"

109 Insomnia cause

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114 See 124-Across

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112 Barbecued item that happen."

> an response. flights had been canceled Thursday after

[A Soviet-designed llyushin plane flying

to resume flights to Sarajevo on Monday. There was an increase in artillery fire

also heavy fighting in the northwest.

The five big powers had demanded a (Reuters, AFP, AP).

Dona — 33 59 Kind of meat 12 Do alternative 79 Garfield's pal Her Two Husbands 82 Benefited from 34 Knight time "Careless Love" slangily 15 Selected athlete 38 Govi. program novelist Alice 88 Nay sayer 45 Art photos 16 Fancy wheels 89 Pants part New couples 17 Dodona 93 Adds on 40 Unemployed message Richard 41 Hike 42 Lay (in) 94 Karlovy Vary is 70 Got a new calculation 21 Michaels and 43 Sale condition 96 City north of 71 Bygone notable 44 Kind of water Livomo Marcino 72 Start of a Victor 46 Quartets 47 Tuesday type Herbert utle 49 Heartthrob 73 Revolted book 30 Midwest singer Randy 74 Revolter 50 Matriculate 77 Dieting Prime

54 Touchy one

58 Little Fr.



A STATE OF THE STA

Alexander Solzhenitsyn, with his wife, Natalia, signing a book for a fan Friday in Moscow after a two-month train trip.

A Crusader's Blustery Return to Moscow

Leading intellectuals here have been hard on the bearded,

thunderously indignant writer.

They consider his oratory bol-

low, his time past, and his mis-

arrival, as he has repeatedly

he has no desire and no willing-ness to accept an overtly politi-

And despite the condescen-

By Michael Specter
New York Times Service

MOSCOW - At long last, after 20 years of exile and a two-month rail trip across the troubled land from which he was expelled, Alexander L Solzhenitsyn, Russia's mournful sage, returned to his nation's capital.

More than a thousand peo-

ple, kept quietly at their distance by dozens of armed riot police, waited in the rain at Yaroslavl station to greet the 75-year-old writer who has savaged the current state of the country with almost as much intensity as he used when attacking communism.

"Russia is in very serious trouble," he said as the rain started to pour onto his audience. "There are groans bellowing across this country.'

Mr. Solzhenitsyn said he had taken the meandering rail trip
— which started in Magadan, the center of the gulags he wrote about with such penetrating effectiveness — to begin a crusade for the spiritual rebirth of Russia.

There was little, however, to warm the spirit at the Yaroslavi station this week, as hundreds of feverish reporters and television camera crews jostled to get corruption. Crime threatens to

a picture of him.
"Get back, back," snapped the mayor of Moscow, You Luzhkov, who had come to wel- this."

"If you don't get out of the way, he will never come off that

When he did emerge from the private rail car in which he has lived with his wife and two of his sons for the last two months. the writer spoke as he has throughout his journey, indignation building at the often pathetic state of the country to which he has returned.

"I have met many wonderful people through this long jourhe shouted through the rain. "Students, farmers, factory workers. People who live in slums, doctors and teachers who work without pay for their fellow countrymen.

"I hope today I can start to bring their message to the ears of the leaders in Moscow," he continued, his outrage starting

"These days our country is collapsing into itself. I never thought the exit from communism would be painless, but nobody would have known it would be this painful," Mr. Sol-

zhenitsyn said. "The state again does not ful-fill its obligation to its people," he said. "Our children are defenseless against the scourge of strangle our country. We can-

Yeltsin Defies Duma On Privatization

By Fred Hiatt

large-scale privatization program, defying Parliament, which had rejected the same program a day earlier.

The new pursue of Kussia's any prime minister and the privatization chief, in search of an acceptable compromise.

They came up with an amended version of the plan

state-owned factories and at-tract more foreign investment plan still fell 13 votes short of as Russia continues its transi-the required 225 needed to pass tion to a free-market economy. a bill.

Shares will now be sold for Mr.

money, rather than for the privatization vouchers that every citizen received during the first stage of the program. Factories will be allowed to keep more of will be allowed to keep more of the proceeds to reinvest and as part of the failed compromodernian instead of the saled compromodernize, instead of turning most of the money over to the president's program "as much

Mr. Yeltsin's decision to proceed by decree "testifies to his tion began in August 1992, political will to pursue a strate when Mr. Yeltsin decreed that

of the legislature is known.

would now be privatized along with the buildings on it. Legis MOSCOW - President Bo- lators then began negotiating ris N. Yeltsin launched on Fri-with Anatoli B. Chubais, a depday a new phase of Russia's uty prime minister and the pri-

The new program is intended that satisfied the speaker of the to accelerate the sell-off of Duma, Ivan Rybkin. But after

Mr. Chubais welcomed Mr. Yeltsin's decision to bypass the Duma.

Still, he said that amendas possible.

The first phase of privatizagic course of market reform," every Russian citizen would re-the president's spokesman said. ceive a voucher with a nominal But it also testified to the value of 10,000 rubles. Most of weak position of Russia's Par- those 148 million vouchers have liament and raised the possibility of future confrontation between the president and the State Duma, as the lower house of the legislature is known. The Duma first rejected the ers, 1 million are proprietors privatization plan July 13, with many pro-Communist legislators particularly upset that land Russia's gross national product.

Britain Sets 15-Year Terms For Killers of 2-Year-Old

LONDON — Two boys who killed 2-year-old James Bulger last year will serve at least 15 years in custody, the British government

Jon Venables and Robert Thompson were both 10 when they led the toddler from a shopping center and beat and tortured him to death in February 1993.

The boys, who confessed to their crimes, were sentenced to indefinite terms in custody. The Home Office, which has jurisdiction over police and prison

matters, said in a statement that the two should serve at least 15 years. In November, the trial judge had recommended that they serve at least eight years before being considered for release. "The home secretary's decision does not mean that the two boys will necessarily be released at the end of the 15 years," the

"Shortly before that period expires the home secretary of the day will receive the advice of the parole board as to the risk inherent in any release," it added. "He cannot release the boys unless the board recommends it."

It said the home secretary would not necessarily release either of the boys even if it was recommended. "He would first have to consider whether it was safe to release the prisoner, and also the public acceptability of release at that time," the statement said.

Reports Tie Italian Leader's Firm to Bribes

By John Tagliabue

ROME - Two Italian newsmagazines are reporting that anti-corruption magistrates have produced witnesses implicating the big Fininvest corporation of Prime Minister Silvio Berlusconi in a recently uncovered net of widespread corrupt business practices.

The witnesses, who are officials of the auditing unit of the Italian Treasury known as the Finance Guard, have reportedly confessed to magistrates in Milan the details of a widespread system under which guard auditors regularly pock-eted large amounts of illegal payments from private corporations in exchange for turning a blind eye toward fraudulent bookkeeping practices and tax reporting methods.

The magazines allege that on July 13, as evidence was emerging that would have implicated several senior officials of Mr. Berlusconi's Fininvest business empire, the prime minister acted to pass a decree that would have in effect bound the hands of the investigating magistrates.

The reports, which will be published by the weekly newsmagazines Panorama and Strong as it was, the speech was fairly standard Solzhaningly invincible Soviet state were released Friday ahead of tsyn text.

Espresso in their coming issues, were released Friday ahead of publication. Espresso in their coming issues,

According to the reports, one of the suspects named by nuall factions wish to claim - at merous witnesses is Salvatore Sciascia, the director of central financing at Fininvest. The witnesses allege that on numerous occasions he paid large sums of money for favorable auditing of Fininvest companies.

can help the citizen understand the value of democracy In its report, Espresso said A spokesman for President that on the day Mr. Berlusconi's Boris N. Yeltsin said that Mr. cabinet was approving the desion about his return and the Yeltsin would soon meet with cree, a lawyer for Mr. Sciascia, doubt about his possible effec- the writer, although the date Oreste Dominioni, sought untiveness, few Russians possess has not been set. And Parlia-the moral authority of the abment has invited Mr. Solzhenisuccessfully to arrange for Mr. Sciascia to meet voluntarily stemious recluse who never wa- tsyn to address it. with Antonio Di Pietro, the top

of its deceptions.

sion unclear. He said on his believer for a greater Russia.

since he returned to Russia, that them, reformers see a man who

As a result he is a man whom

least in part - as theirs. Na-

tionalists see in him the true

Despite his denunciations of

anti-corruption magistrate. Mr. Dominioni did not return calls to his Milan office.

The decree unleashed a storm of protest, and marked Mr. Berlusconi's first crisis since taking office in May. On Monday, in a humiliating retreat, he said the edict would be scrapped.

Meeting Friday, the cabinet approved a draft bill for parliamentary approval to replace the decree. It would allow corruption suspects to be held in custody before trial. The cabinet spokesman, Giuliano Ferrara. said the bill contained changes "that take account of public opinion.

Antonio Tajani, the prime minister's spokesman, denied that passage of the earlier decree had been in any way linked to the investigation of Fininvest officials.

According to the magazine reports, one of the key witnesses, Francesco Nanocchio, a guard auditor, was arrested last April on suspicion he pocketed a \$1,600 share of bribes paid by Mr. Sciascia after a favorable audit of Edilnord, a real estate group controlled by Mr. Berlusconi's younger brother, Paolo. Paolo Berlusconi is scheduled to stand trial on other corrup-

tion charges later this year. In subsequent questioning, Mr. Nanocchio reportedly told investigators he had received a \$15,000 share of illegal pay-ments to anditors paid by Mr. Sciascia in connection with an examination of the books of the Telepiù pay-television channel. The channel, which is partly owned by Fininvest, has been under investigation because of

an ownership dispute. In further testimony, Mr. Nanocchio also implicated a former guard official, Alfredo Carugno, who is now employed by Mr. Sciascia at Fininvest. One guard official, Giuseppe Licheri, who audited Video-

time, another Fininvest compa-

ny, reported pocketing \$62,000 To protest the decree, Mr. Di in two installments from Mr. Pietro and his team asked for Sciascia. Another official, Mar-reassigment to other cases. co Spazzoli, described bribes paid in connection with audits tions came as a bitter blow to of the Mediolanum insurance the investigating team. The

a share, the reports said. Mr. Berlusconi, who surrendered day-to-day management to a team of executives when he

entered politics earlier this year. The now-revoked cabinet delar crimes like fraud, from the people to whom we have enpreventive detention category. trusted our investigations.

The Finance Guard revela-

group, in which Fininvest holds magistrates have leaned heavily Fininvest is fully owned by guard auditors in their twoand-a-half-year corruption investigations, which have implicated thousands businessmen and politicians, In cree sharply limited the kinds of his threat last week to step suspects who could be jailed down if the decree were not while a criminal investigation revoked, Mr. Di Pietro decontinues. It eliminated corrup- nounced unnamed suspects tion, graft and other white-col- who he said were "buying the

3 German Youths Jailed In 'Hunt for Foreigners'

BERLIN — Three young rightists were sentenced Friday to up to three-and-a-half years in prison for their role in a "hunt for foreigners" in Magdeburg.

The juvenile court in Magdeburg imposed sentences longer than prosecutors had requested in an attempt to deter a repeat of the riot during May in which about 60 rightists, many wielding knives, chased foreigners through the city center.

The police were criticized for taking six hours to quell the Magdeburg riots. The trouble was sparked in the middle of the day when Turkish immigrants and other foreigners rushed to the defense of a group of African refugees being chased down a main street by rightists.

Judge Evelyn Majstrak sentenced one of the riot leaders, Steve Abicht, 20, to three-and-a-half years in prison, a year longer than the prosecution had requested. He had a record of violence. The court gave a three-year sentence to Stefan Werner, 19, and 30 months to Marco Dlugas, 20.

The trial was the first for a series of young rightists accused in

Meanwhile, in Koblenz, prosecutors announced charges against 18 rightists accused of supporting the ultranationalist German Alternative, a group declared illegal in 1992.

The authorities say bans of such groups and heightened police action have helped reduce the number of violent attacks on foreigners, refugees and others. Attacks rose steeply after German reunification in 1990.

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CIA, Still Unaccountable

R. James Woolsey, the director of Central Intelligence, acknowledges some welcome truths about his agency, but still manages to skate around the root cause of many of its problems. The CIA badly needs reforms, as Mr. Woolsey says. The laudable patriotism of many career officers is too often mingled with elitism, arrogance and the protective camaraderie of a college fraternity.

And yes, this old-boy system helps explain the agency's failure over a nineyear period to expose Aldrich Ames, the trusted initiate who betrayed secrets and lives for \$2 million from Moscow. In a speech, Mr. Woolsey has vowed to "strip bare and to evaluate" the operations directorate that permitted this scandal.

But alas, the director seemingly cannot bring himself to deal as frankly with the culture of secrecy that deprives his agency of that essential safeguard: accountability. The CIA budget, incredibly, is still legally secret. So is its testimony to Congress's Select Committee on Intelligence. That committee's chairman, Representative Dan Glickman, Democrat of Kansas, has belatedly teamed up with Representative Robert Torricelli, Demo-crat of New Jersey, to propose formal disclosure of the aggregate budget of the CIA and all other intelligence activities. But even this modest, long-overdue amendment was rejected by the House on Tuesday, by a 221-194 vote.

Defenders of secrecy solemnly argue that Americans cannot be trusted with this figure because they might make ignorant and invidious distinctions between various services or different modes of

intelligence-gathering.

Besides, the Cold War isn't over, the bear is only sleeping, according to Representative Henry Hyde, Republican of Illi-nois, who adds that there is no need to publicize a figure already available to six congressional committees.

Mr. Hyde's formulation is offensive because it implies that Congress is better able than the voters to handle information about their government. Experience has shown the opposite. It has also shown that trusting the old-boy network on Capitol Hill to monitor the old-boy operation at Langley would be folly.

In any event, there is no real case to be

made for a secrecy that does not exist. The information is all over Capitol Hill. It cannot be kept from a determined foe or, for that matter, from anyone in gossiping range of a member of Congress. In fact, through carelessness, one of those six committees inadvertently disclosed the total (\$28 billion), as reported in The New York Times on Thursday. Moreover, former CIA Director Robert Gates testified in 1991 that he had "no problem"

with disclosing the total budget figure.
Congress approved resolutions in
1991 and 1992 urging disclosure. Sc why
does President Bill Clinton favor shutters? A plausible explanation is that his administration, like those before it, fears the curiosity of the taxpayers. Once the numbers are publicized, the American people may want to know more about the spy agency's inability to redefine a new role, its past exaggeration of Communist strength, its failure to promote qualified women, or its duplication of intelligence work by the other agencies in the "black budget."

A little knowledge, as Congressman Hyde somehow failed to observe, is truly a dangerous thing.

— THE NEW YORK TIMES.

Start Easing the Rich-Poor Divide Now

N EW HAVEN, Connecticut — Five years after the Berlin Wall fell and the Cold War ended, a more intractable cleavage masked by that conflict has become apparent: the demographic divide. Thomas Malthus, the overpopulation prophet, rather than Adam Smith, the champion of free

markets, has become the relevant thinker for the times ahead.

The 5.5 billion inhabitants of this globe are adding 95 million more people every year. We add almost a billion people each decade. The World Health Organization and the UN Population Fund estimate that by the year 2025 nearly 9 billion people will live on Earth, and between 10 and 14 billion by 2050. The implications of this basic trend for consumption, production, markets, edu-cation, services, the environment, investment, and war and peace are fundamental.

This increase in population is not occur-ting evenly across the planet. Ninety-five percent of the forecasted doubling of world population will take place in the poorer reaches of the globe — in India, China, Central America and Africa. In most richer societies, the populations are either slowgrowing or even (as in Italy, France and apan) in absolute decline.

Some parts of the globe are becoming increasingly adolescent (60 percent of Kenya's population is under 15) while others are becoming increasingly geriatric (20 per-

Paul Kennedy, historian and author of The Rise and Fall of Great Powers" and "Preparing for the 21st Century," is co-direc-tor of an Independent Working Group on the Future of the United Nations. Appointed by UN Secretary-General Butros Butros Chali, the group is chaired by former German Presi-dent Richard von Weizsäcker and former Pakistani Prime Minister Moreen Ouereshi.

By Paul Kennedy

cent of Sweden's population is over 65). Demographic growth is dramatically lopsided. At the same time, the planet's capital, scientists, universities and research and development are located in the demographically slow-growing or stagnant societies.

The impulses, ideas, cultural images, technology and funds that shape the socioeconomic life of all humanity in these times emanate to the young and crowded world from Silicon Valley, Atlanta, Hollywood, London, Zurich and Tokyo. By contrast, capital, infrastructure, research and development, universities and health care systems are disintegrating, and natural re-sources are being depleted most rapidly, in those countries where populations are growing in leaps and bounds.

The anarchic collapses of Rwanda and Somalia offer, perhaps, a premonition of what is to come in places where the population is far larger and the infrastructure far worse than at the turn of the 20th century. In sum, there is today a vast demographio-technological fault line. On one side are the fast-growing, adolescent, undercapital-

the rich, technologically inventive yet demographically aging populations.

Perhaps the most glaring cleavage lies along the Mediterranean, between Southern Europe and North Africa. But there are other the perhaps the Grande in North Agrica. ers: along the Rio Grande in North America between the Slavic and non-Slavic people of

ized, undereducated societies; on the other

The greatest challenge that global society faces is preventing this fault line from exupting into a world-shaking crisis. I agree with the Nobel scientist Henry Kendall, who argues that "if we do not stabilize population with justice, with humanity and mercy.

Asia, between Australia and Indonesia

then it will be done for us by nature, and it will be done brutally and without pity.

But to meet that challenge we will need to employ all our ingenuity and talents. It is simply not the case that it is too hopeless to try. What if, for example, we redeployed the tens of thousands of scientists and engineers now released from the Cold War challenge to

look for solutions to the demographic divide? Solutions could range from truly dramatic breakthroughs in solar energy systems to lowlevel, sustainable village-based technologies that already show promise in many developing countries. What if the rich countries actually fulfilled their 20-year-old promise to allo-cate 0.7 percent of GDP to development aid?

All this implies a change in priorities, but that is only likely if we possess political leaders with global vision and a willingness to articulate larger, universal principles.

For now, leaders in dear increase state of the contraction of

focus primarily on the most immediate concerns of jobs and crawling out of a recession that negatively affects their political fortimes. And even if they come to comprehend the nature of the long-term challenge - which will hit front pages and television screens in September when the United Nations convenes in Cairo its most important global meeting on population in 20 years—they will not be able to effect a change of priorities unless supported by a concerned md intelligent citizenry.

That is why, in the end, change will come only if the average person recognizes, as most now do with respect to environmental issues, that only a global, transnational response to the growing demographic divide from rich and poor societies alike will give the planet a chance to survive. Otherwise, the coming deluge of people is certain to swamp all other concerns in the 21st century. Then, hope will be hard to come by.

Los Angeles Times Syndicate.

The Case for Reving an Old Inter-Malay Formula

No 'Religious' Monolith So much said about politics involves generalizations that quickly pass into ste-reotypes. One of these involves "evangelithe political views of white evangelicals, particularly as regards the Senate race. White evangelicals are commonly de-scribed as the backbone of Oliver North's cal Christians," also known as "fundamentalists" or "the religious right." All these groups exist, but they are not interchange-able. "Evangelicals" are not the same as "fundamentalists," and many evangelicals and fundamentalists do not regard themselves as part of the "religious right."

This point was driven home recently by a survey involving the Virginia Senate race, conducted by Mason-Dixon Political/Media Research. The poll pointed out that those who talk about the political conservatism of evangelical or "born again" Christians are actually talking about the conservatism of white evangelical Christians. African-Americans are even more likely than whites to describe themselves as evangelical or "born again." but this does not mean that they are supporters of the conservative Christian right. The poll found that while 53 percent of Virginia's black voters called themselves evangelical or "born again" Christians words which, of course, can mean very different things to different people only 3 percent said they supported the Christian Coalition, Pat Robertson's wellorganized conservative group.

Even more shocking to the convention-

al wisdom were the poll's findings about

In the beginning, the Center for Science in the Public Interest lamented, and

documented, the sins of fast food. (High

fat, high sodium, high cholesterol.) Then

the nonprofit research group moved on to analyze Italian food (high fat, high sodi-um, high cholesterol) and Chinese food

(ditto, with the piquant detail that a plate

of kung pao chicken has as much fat as

six cheeseburgers). It detoured briefly off

ethnic restaurants to deliver the verdict

on movie popcorn (bad, bad, bad, espe-

cially for the heart) but returned trium-

phantly the other day to its original

theme with a study on Mexican restau-

rants. The results, as headlined in its

news release: "New Study Says Mexican

Restaurant Food 'Makes Chinese and

What, a hungry and self-indulgent na-tion may ask, do these folks at CSPI eat?

Michael Jacobson, the center's execu-

tive director, says there has been a strong

element of kill-the-messenger in the re-

sponse to his group's methodical efforts to give people nutritional information

about those foods that do not come with the government's handy new nutrient la-

bels. "People don't want to hear bad things about things they like, whether it's

their daughter or their food," he says.
"They don't want their pleasant experi-

ence intruded on by some inconvenient

fact." Unlabeled food, of course, is main-

ly restaurant food, and restaurant food

they are out having a good time.

tends to mean food that people eat when

Italian Look Good."

coalition, but their attitudes are far from monolithic. According to the Mason-Dixon survey, Mr. North was the favored candidate of 37 percent of the white evangelicals, Senator Chuck Robb of 27 percent, former state Attorney General Marshall Coleman of 22 percent and former Governor Doug Wilder of 3 percent. Among white evangelicals, in other words, Mr. North is drawing less support than Barry Goldwater or George McGovern

got in their campaigns for president.

There are two useful lessons. Those outside the world of evangelical or fundamentalist Christians need to exercise discernment. Just as it is wrong to make gross generalizations about "blacks" or "Jews" or "Muslims" or "Asians," so is it wrong to offer sweeping remarks about "evangelicals" or "born agains." Similarly, those who claim to speak politically for "evangelicals" or "Christians" ought to exercise restraint. Mr. Robertson, for example, does speak for some people, but he does not represent a whole religious community. Many in that community object to having others automatically translate their religious views into political commitments. — THE WASHINGTON POST.

"We're not saying never go to this type of restaurant," Mr. Jacobson says, pa-

tiently. "We want people to have infor-mation." True, the Mexican food study

went so far as to note that it is almost

impossible to eat healthfully off a Mexi-

can menu, since nearly everything except

the chicken fajitas and salsa contains

more sodium than the government re-

commends you have in a day. A beef

chimichanga dinner, the leading offender, contains 20 teaspoons of fat. How

might this fit into a healthful diet? It

wouldn't, Mr. Jacobson concedes: "I've

HONG KONG — The alphabet soup of initials of actual or proto organizations involving all or parts of East Asia and the Pacific is confusing enough al-ready. In addition to ASEAN, AFTA, APEC and EAEC there is a clutch of "growth triangles" with their own acronyms encompassing combinations of Johore, Riau, Medan, Penang, Singapore,

Phuket, Manado, Davao, etc. So as foreign ministers of the Association of South East Asian Nations met this week in Bangkok for their annual discussion of regional issues with themselves and, later, their ever expanding group of "dialogue partners" in the Asian Regional Forum, it is worth casting the mind back a generation to the granddaddy of regional concepts, Maphilindo. That early '60s vision aimed at

reconciling conflicts between and within Malaysia, Indonesia and the Philippines, under a pan-Malay umbrella that never became more than a gleam in the eye, although there were strands of it in

the formation of ASEAN in 1967. But it is looking relevant again in the context of the power balance in the region, and there are even signs of commercial alliances being formed to reflect it.

Four of ASEAN's six states are predominantly ethnic Malay, and its peoples are mostly the inhabitants of the archipelago that stretches in a great arc from northern Sumatra to northern Luzon. Yet its preoccupations have been largely with the affairs of mainland Southeast Asia, and its bonds have been primarily provided by the commercial and fam-ily links of ethnic Chinese communities, and the legacies of Western and Japanese imperialism.

Past mainland dominance of ASEAN issues is no surprise. The for political reasons would make association formed as an anti- AFTA even more irrelevant.

By Philip Bowring

Communist league and later was primarily concerned with Vietnam and Cambodia. High on the current list of ASEAN issues is engagement with Burma. This is convenient. Thailand

and Singapore have strong commercial interests in the development of links there. Malaysia and Indonesia are happy to see Burma as a useful issue on which to dispute U.S. and European attempts to make human rights an excuse for interference in others' affairs. Burma, like Vietnam, Cambodia and Laos, is a candidate for

The three plus Branei have clearer identity of interests with each other than with Thailand.

future enlargement of ASEAN, A positive attitude toward Burma fits with Chinese strategic objectives and Thailand's aim of developing northward trade.

But how relevant is all this to the nations of the peninsula and archipelago? It helps preserve an image of unity and utility within ASEAN, but what does that do for the security and trade concerns of the majority?
The goal of an ASEAN free

trade area (AFTA) within 15 years is making snail's pace progress. It is taken seriously by very few manufacturers when planning investments. Ministerial statements give illusions of progress, but on the ground it is irrelevant. Regional trade is growing fast, but for rea-sons which have nothing to do with AFTA. An ASEAN calarged

If the future of ASEAN members is to be in trade groupings, it will surely be in much bigger ones involving at least one major trade power. That means either the

Asia-Pacific Economic Cooperation forum, involving the United States and Japan, or the narrower East Asian Economic Caucus, exchiding the United States. Meanwhile on the political front, the biggest future issue by a very long way facing the Malay members of ASEAN is the South

China Sea, a matter of marginal concern to Thailand and Burma and not one on which they would care to risk their relations with China Malaysia, the Philippines and Brunei all face direct Chinese threats to adjacent waters and undersea resources as well as to the Spratly Islands, where their claims overlap those of the Vietnamese. Although Indonesia is not di-

rectly involved in the South China Sea, it has every reason to keep China as far away as possible, including from its gas fields, which lie close to the farthest limit of China's claims.

This is not a minor matter. China's "historic" claims treat the Malay peoples as if they never existed, but history (other than in China's racist version) clearly records that Malays were sailing these waters long before Chinese. Trade between China and Southeast Asia was in the hands of Ma-: lays and Indians before Chinese gained sufficient seafaring ability to reach the Malacca Strait.

The four Malay nations also have a strong domestic reason for closer cooperation. Although separatism is only a minor imitant at present, the Philippines' troubles m Mindanao and Sulu, Indonesia's in Atjeh and Timor, Malaysia's in Sabah, and Brunea's very existence will be kept under con-trol only by mutual cooperation. They may need to care far more about those things than what is

happening in the Shan states or on the Thai-Cambodian border. There have been hints of old oblems resurfacing, with an outbreak of minor rows such as between the Philippines and Indone-sia over a conference on Timor. Present leaders are determined enough to keep a lid on them. President Fidel Ramos has tried especially hard to prove a good neighbor. But greater emphasis may need to be publicly placed in

future on how much these nations.

have in common and how impor-

tant each one's stability and terri-

torial integrity is to the others. A Maphilindo forum might help. On a positive note, cross-border alliances have been forming. Barito Pacific, Indonesia's biggest timber group, has put assets into a Malaysian company and has plans for joint developments in Kalimantan Malaysian plantation companies are looking at big investments in Indonesia, and

setting up shop in Jakarta.

The trend appears to have the blessing of indigenous elites. That does not apply yet to the Philip-pines — although there are Manila-Brunei links. At a lower level, interconnections include a huge number of Indonesian workers in western Malaysia and Pilipinos in Sabah. Filipino skilled workers are filling labor market gaps in Jakarta, and local cross-seas trade, for example between Davao in the southern Philippines and Manado in northern Sulawesi, is reviving.

There are still plenty of rival-ries and suspicions between huge, poor but firmly secular Indonesia and small, rich Malaysia, with its large non-Malay population but stronger Islamic identity. The Philippines, with its domestic preoccupations and Catholic and American linkages, has a hard time identifying with its neighbors, however close their lan-

guage and history.

The three plus Brunei have more obvious long-term identity of interests with each other than with Thailand, let alone with a much enlarged ASEAN. That is not to suggest impending new animosities, or to dispute the val-ue of the growth of bilateral trade between Malaysia and Thailand. But if EAEC may make sense in a tripolar trade world, so a Maphilindo (maybe with a Japanese alliance) may make more strategic sense than ASEAN in a multipolar Asia without the United States as its guardian angel

International Herald Tribune.

Drags On By Anthony Lewis NEW YORK — The Serbs of Bosnia would not take "yes"

The Agony

In Bosnia

for an answer. A peace proposal offered to let them keep most of the fruits of their aggression and genocide, indeed to legitimize those conquests. But for people inflamed by the drug of hypernationalism, that was not enough. Russia will now try to persuade them to change their mind. Failing that, and hope is slim, the

conflict will enter a dangerous

new phase. It will see America more deeply involved. From the beginning of the Serbian aggression, in Croatia in 1991, U.S. administrations kept their distance. George Bush left it to the feekless Europeans. Bill Clinton spoke of acting against the Serbs, made a feint in that direction, then stepped back.

Last February, Mr. Clinton moved toward real involvement. Hejoined Russia, Britain, France and Germany in trying to draft a peace plan. The result was the proposal to give the Bosnian Muslims and Croats 51 percent of the territory, the Serbs 49 percent.

"We're not saying that this is a just peace or that it meets the principle of stopping aggression," a senior Clinton administration official has told me. "But it does mitigate the damage. And it pre-

serves Bosnia as a single state." A just outcome would mean rolling back Serbian conquests entirely, and letting Muslims and Croats return to areas from which they were expelled. That would require force on the scale of the Gulf War, the administration official said, which is not in the cards.

Some degree of additional international force is likely now in any event. A series of escalating measures is planned to persuade the Serbs to accept the peace map.

The plan extends safe areas around Sarajevo and Gorazde to other government-held islands in eastern Bosnia. It calls for stricter enforcement, which means readier use of air power. NATO may also act to cut the supply route from Serbia, across the Drina River. Pressure will grow to lift the arms embargo on Bosnia.

The Bosman Serbs would no doubt retaliate making life even more difficult for the United Nation protection force. The UN fonce may have to be redeployed. 4

The Bosnian army would try to regam territory. "Our assessme is that if the peace effort fails this time around," the administration official said, "the war will inevi-failly escalate."

Some oppose the whole idea of the peace plan as soworkable and mosally unacceptable in its concessions to Serbs. David Gompert, poses in the current issue of Forcign Affairs that instead the powers "conduct a cold war against Serbia" until its virus of "fiendish nationalism" is cradicated.

As in the Cold War with the Soviet Union, Mr. Gompert argues, it would bring about political change. Isolation, and facts penetrating propaganda, would lead the Serbian people to turn against the leader who started the aggression, Slobodan Milosevic.

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The administration official I spoke with rejected Mr. Gompert's analogy to the Cold War. Here, he said, a real war is going on - and it will continue for many years, perhaps decades, if the international community does not bring it to an end. Britain and France would withdraw from the present UN force. "The suffering would

be prolonged for a generation."

Mr. Gompert does spell out some of the past failures of leader-ship in Washington and in Europe. When accords were reached in London in 1992, he says, the Serbs flagrantly violated them and no-body did anything. The British op-posed the use of American air power "lest it anger the Serbs."

But while admitting some mis-takes during the Bush years, Mr. Gompert ducks the decisive one: Mr. Bush's tragic failure to chal-lenge the brutal Serbian attacks on Croatia in 1991. The aggressors and murderers among the Serbs took heart from that and from later weakness, and their intransigence still flourishes. The New York Times.

1944: Plea for Loyalty

LONDON - From our New

Trivializing the Clinton Presidency WASHINGTON — Did you By Edwin M. Yoder Jr. camployers — the usual suppliers of health insurance since World

never had a beef chimichanga in my life, and I probably never will." He does not eat premium ice cream, and he thinks he may have ordered kung pao chicken twice in the past five years, to share - although in the wake of the kung pao chicken study he will probably order it "less." Mr. Jacobson says the group would consider these reports a success if restaurants followed the lead of fast food outlets in inching toward a healthier selection of offerings. Market forces make this likely. Movie theaters, for example, are already

backing off the dreaded coconut oil. At the risk of displaying the depth of our denial, though, we hope that scientists and chefs are taking into account the possibility that people know that these terrible, wonderful, ethnically diverse manifestations of the national cuisine are bad for them and that they eat the stuff because they like it.

- THE WASHINGTON POST.



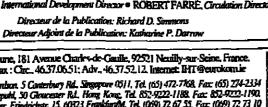
What Do These Folks Eat?

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Clinton and the Pope? Mr. Clinton offers to take the Pope fishing. A breeze comes up and

blows the Pope's hat away from the boat. "Don't worry," says Mr. Clinton, "Pil get it." He steps out of the boat and walks across the lake to retrieve the hat. The next day's headlines say: Clinton Can't Swim. The joke shows that Mr. Clin-

ton's daily drubbing by the press is working its way into folk humor—a danger for him, it may be, but a greater danger to the press and the country. Rarely has the capriciousness of the coverage been more strikingly evident than when President Clinton addressed the National Governors' Association in Boston about health care reform. In answer to a question (How universal is "universal"?), he gave one of those policywook answers to which he is occasionally prone. He distinguished between goals (100 per-cent) and statistical reality: We know we're not going to get right at 100 percent but we know that you've got to get somewhere in the ballpark of 95

percent or upwards." He illustrated the point by citing compulsory school attendance laws that mandate schooling up to a certain age although, as he said, a small percentage of school-age children for one reason or another fall through the cracks. Which is not an argument against universality, merely a gloss on the meaning of a term.

This gloss, however, was in-

stantly and mindlessly transformed by gotcha journalism into a "Clinton Can't Swim" story. Naturally, Bob Dole and other Republicans were quick to exploit the confusion. The spin generated three-alarm headlines whose point was that Mr. Clinton was once again contradicting himself or retreating from the goal of universality.

The treatment the same day

on ABC's evening news was typi-cal. ABC devoted its entire segment on Mr. Clinton's appearance before the governors to the story that he might have wob-bled, ignoring the exceptional clarity and cogency of his de-fense of his health care package. Even if he intended a calculated wobble, signaling a willing-ness to compromise, the story was a gross distortion. ABC claims that "more Americans get their news from ABC than from any other source." If that is true, we're in deep trouble.

What might the story look like

with Mr. Clinton's substantive points taken more seriously? His plan is premised on the assumption that there are two ways to achieve universal coverage (however defined), which 80 percent of the American people tell pollsters they favor. One is a Canadian-style single-payer system in which a government agency, as in Medicare, is the insurer and funds the system with taxation. The other option, chosen by Mr. Clinton, is to preserve private insurance and require

War II - to offer coverage. Here is a basic choice and there is no way to weasel around it.

Moreover, at one-seventh of GNP, American health care is the costliest on the planet but leaves 30 to 40 million people uninsured at any given time, and millions of others fearful of being dropped for one reason or another. Meanwhile, medical entitlements (Medicare, especially) are growing so fast in proportion to the rest of the budget that health care costs, on the present trend, will devour all else. Again, choices are clear. You

can raise taxes, or continue to borrow. Or you can try, as Mr. Clinton proposes, to contain rising costs in the public sector by a so-called "global budget" (an anmual ceiling) and in the private sector by setting up "purchasing cooperatives" to mass consumer power and stimulate more competition in insurance pricing. Basic choices are being obscured by a massive lobbying

campaign by the insurance in-

dustry, organized medicine, the

elder lobby and other self-inter-

ested parties, muddling the is-

sues with sloganeering about "government control," "socialism" and "rationing." Meanwhile, the tiresome rituals of gotcha journalism are reinforcing, not dispelling, the sloganeering and confusion. The fate of Mr. Clinton's compelling remarks to the governors in Boston is a prime example — anoth-er "Clinton Can't Swim" story.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Tariff Deadlock NEW YORK — The deadlock

between the two Houses of Congress over the Tariff Bill causes despair in mercantile and manufacturing circles. Stocks were comparatively stiff, but it is the stiffness of death. The result is absolute stagnation on Wall Street. The country is impoverished, so that there is no new buying power, even if the situation were such as to encourage the hope of higher prices.

1919: Washington Riots

WASHINGTON - The Capital is still aflame over the race riots of last night [July 21], and there is virtually martial law. Shooting still prevails over the entire city. There is indiscriminate firing from windows, and continual clashes in street cars between whites and blacks.

York edition: Adolf Hitler's swift purge of rebellious officers has spread to the fighting fronts in Russia, France and possibly Italy, with eight eastern front commanders arrested or ousted, reports from the French frontier declared tonight [July 23]. Disclosing that the anti-Hitler clique attempting a comp d'etat perhaps extended to generals actively battling the giant Allied nutcracker pressing upon Germany, this information came on the heels of a new appeal from the Nazi command for firm loyalty from German soldiers. Unconfirmed reports persisted of street clashes, supporting speculation that the crisis was not yet over, and there were evidences of sagging morale among German fighting men on all three great battle fronts.

102 Ruling groups 124 Kid

flights had been canceled Thursday after The five big powers had demanded a Tugosmyre.

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July 23-24, 1994

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A Modern Dynasty of Architects

By David Galloway IELEFELD, Germany -- In the medieval tradition of the Baumeister, who saw no conflict between the plan of a work and the muddy boots of the building site, architectural dynasties were common enough. Skills, jealously guarded professional secrets and lists of clients were frequently passed from father to son, as in all crafts. Cathedrals and palaces, even as late as the 19th century, might well con-sume the skills of generations. No modern architectural clan can compete with the Böhms, who have produced five archi-

tects in three generations. Their achievements are presently being explored at the Bielefeld Kunsthalle (until Aug. 14), with family projects that range from 1918 to 1994. Domenikus Böhm was celebrated above all for his ecclesiastical buildings, influenced by Expressionism and revolu-

tionary in their insistence on rejected trends and isms while chiminating all barriers between the altar and the congregation. He and his son Gouffried first collaborated in 1949, when they rebuilt the first of many bombed-out churches.

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Neither father nor son understood such assignments as routine or creatively inhibiting. Far more, they saw the chance to bring the past and the present into fruitful dialogue. Both of them intuitively grasped the transcendent quality of space itself, so that even their secular buildings often project a sacral aura. Domenikus, who died in 1955, spoke of "building with light," in the tradition of the Baroque — also a guiding principle in the new Deutsche Bank headquarters that 74-year-old Gottfried Böhm designed for Luxembourg, His sons — Stephan, Peter and Paul — seem

determined to carry on a fam-

ily idiom which has staunchly

consins became architects. Gottfried, who received the coveted Pritzker Prize in 1986, married an architect who is active in the family practice. Gottfried originally intend-ed to become a sculptor, while Stephan first studied music and Peter painting before they decided, after all, to follow in the family footsteps. The works of the 1960s that first

brought Gottfried Böhm in-

ternational recognition are

technically "up to date."
For all their individual dif-

ferences, the Bielefeld survey

consistent and deep-rooted

originates in a sense of crafts-

unmistakably "sculptural" in approach. The most famous of these is the pilgrimage church at Neviges, east of Düsseldorf, where the architect conceived a dense, crystalline structure that seems to rise organically from the hilly landscape. Completed in 1968, the structure's folded and interlocking angles attest to the continuing influence of Expressionist architecture, though the light-flooded clarity of the interior speaks a more reductionist language. Constructed of

tial banality of its material. Typically, Gottfried Böhm pushed the technique, originally favored as a cost-effective on-site expedient, to an exacting degree of craftman-ship. Such buildings were lit-erally handcrafted with the Gottfried Böhm's drawing for St. Anna's, Hämmern. exactinude of the cabinetmaker and ultimately proved too

poured concrete, the church

belies the hardness and poten-

costly for most clients. Gottstriving to be aesthetically and fried moved on to lighter, more streamlined techniques, though like his father and sons, he continued to cultivate makes clear that there is a a preference for the warm tones and variegated texture family aesthetic at work. It of brick.

The feeling for texture, for manship even older than the the intricate play of light and practice of architecture as a shadow, of dense and transprofession. Domenikus parent materials, is dramati-Böhm's father was a contraccally communicated in the tor who built according to his drawings of the five archiown plans; two of his uncles tects. Here, one can best apwere weavers, and six of his preciate the conceptual subtlety of their achievements. and the Bielefeld show restricts itself almost entirely to this preliminary graphic

> ger that viewers would confuse the bulky forms rendered by Domenikus Böhm, often beneath brooding graphite clouds, with the sensuous geometries of his grandson Peter, something of a family signature is recognizable throughout the generations. A solidity, a sense for craftsmanship, a lack of manner-ism, a sensibility to detail are among the hallmarks. So, too, is an undisguised love of monumentality - a quality that, particularly in modern German architecture, can arouse disconcerting ideological overtones,

> This, however, is not a monumentality that oppresses or intimidates, but one that animates and inspires. The underlying humanist is at once apparent in the drawings, with their vivid feeling for space and for vista as an experiential quality of the built work. It is not the building as a solitary monument but the building as an arena for human activity that offers the primary focus here.

David Galloway is an art



Georges Lemmen's portrait of the Serruys sisters, painted in 1894, was his last work in the Pointillist technique.

Belgian Reply to Impressionism

missed it so long? With no stone left unturned in and around Impressionism, its avatars in Belgium somehow escaped our scrutiny. "Impressionism to Symbolism. The Belgian Avant-Garde 1880-1900," at the Royal Academy until Oct. 2, is the surprise of the season.

Not least, perhaps, because it has so little to do with Impressionism. The Pointillist fad that the discovery of Seurat's work, exhibited in Brussels in 1887, was to

SOUREN MELIKIAN

trigger briefly was no more than a ripple over the waters of a complex pool of creative energy. If there is one common de-nominator behind the seething activity revealed by this remarkable show, it is how easily the Belgian painters parried the onslaught of French Impressionism.

A still lifé painted by Henri de Brackeleer in the mid-1880s illustrates the curious In "TV Garden," Paik effects outcome of conscious resistance. This was at a time, we are assured in the catalogue, when the artist's production underwent a marked decline. If so, his decline was admirable. Two deep faience dishes filled with fruit and bread and a jug are done in thick touches of bright paint. These give the still life a jewel-like effect set off by the white tablecloth. Except for a certain sketchiness, the elaborate composition with its attention to minute details, such as a glassy reflection on the neck of the blue jug is a world apart from Impressionism. So is a still life painted in 1882 by James Ensor. Vegetables piled on a table, as in some picture by the 17th-century Flemish artist Frans Snyders, are painted in vibrant light colors. The table itself stands against a wall done in irregular dabs of nondescript grayish brown. A small window above the table is reduced to a dark hole. with a glass bottle on the windowsill

gleaming out of the blackness. The effect is

ONDON — How could we have dramatic. Impressionism may have in- later, with reflections in the water curious-missed it so long? With no stone spired the idea of a light palette but other- ly rendered in different colors, does not wise it does not come into it.

Nor does it really in a view of the sea painted by Ensor in 1884 in an unrelated style, or in one of his masterpieces, the "Tower of Lissewege," painted in 1890. A wide open plain looks like a spread of emerald green dots spiked by blackish strips under an unreal sky. Without the small Gothic tower in the middle, the picture would not be instantly identifiable as a landscape. Abstractionism is close, with a visionary quality. Impressionist, Neo-Impressionist? Not remotely. It delies categorization, like so many other works.

Even prolonged exposure to Impressionism in its own homeland seemed to leave Belgian artists unaffected. Felicien Rops, born in Namur in 1833, had settled in Paris for good by 1874. He must have seen every single Impressionist exhibition.

But in "Snow at Thozee," a marvelous landscape of 1885 on loan from the Credit Communal de Belgique, not a trace of it can be detected. Dark trees on a strip of land surrounded by water look like expressive shadows under the glow of a wintry sky. A deeply poetic atmosphere emanates

from the scene A similar mood inspired a landscape in a different style by Theo van Rysselberghe. Painted in 1882, when the artist was only 20, the "Pool in Kempen" is as simple in its composition as it is subtle in feeling and in the handling of detail. The sky, all in nuances of faceted white and grey, is masterly. Behind the immediate influence of the Barbizon school, there lies the heritage of Ruysdael. It only took five years for Van Rysselberghe to make a 180-degree turn-about. The artist dutifully set out to apply the lessons of Pointillism but he did not go any further than adopting the technique of inxtaposed color dots. Other than that, the portrait of Anna Boch painted in 1892 is an academic exercise. Vastly superior, a view of the Scheldt estuary done a year ly rendered in different colors, does not qualify as Impressionist either. The Pointillist technique creates a mosaic effect, neat and precise.

Other painters put the technique to a different use. In 1890, Georges Lemmen turned to Pointillism to paint pictures in which linear detail is important, a perfect paradox. A "View of the River Thames. The Elevator," dating from 1892 or 1894. shows a carefully done construction at left, of which part is outlined against the sky. The glowing red band of a sloping roof and an intensely yellow short strip at the foot of the construction give it a surreal touch.

The portrait of the Serruys sisters painted in August-September 1894 was the artist's last work in this technique. He used it to execute a work of quasi-photographic precision for which it was never intended. The folds on the smocks, done with geometrical rigor, give it a sculptural feel strangely combined with intensely glowing one of the women has a hypnotical stare.

A literary strain was creeping into Belgian painting. Some pictures tell stories for which the script has yet to be written. "The Man who Passes" by Georges Le Brun done in 1900 in charcoal on paper has a touch of Seurat's manière noire, but it is relentless in its precise detail. In the elaborate interior of a house, a man is seen through a doorway at the back of a room, vanishing into a side passage. An oppressive, closed-in feel is contrived.

"La Nuit," done in 1908 by Léon Spilliaert, has an even more marked literary slant. All in shades of black and gray, it shows the tiny figure of a top-hatted man fumbling his way on a wet sidewalk along an enormous construction. Odd and inexplicable, it looks like a still from a movie. As a painting, it does not go very far. Only the idea counts. The 20th century was overtaking Belgian art.

Nam June Paik Joins the Mainstream

By Ken Shulman

ILAN - What happens when the language of the andacious than the language of common use? What happens when a public evolves beyond the visions of its prophets?

The avant-garde prophet has essentially two choices: He can cease to function as a viable matrix of art, or he can sidle from the fringe of popular consciousness into the teeming mainstream. At the Arengario space at Palazzo Reale in Milan, Nam June Paik has opted for the latter.

"Nam June Paik: The Shaman of Video," a collection of 12 video installations on view through Oct. 9, might very well have horrified the 62-year-old Korean-born artist had he seen it 30 years ago. In the 1960s, fresh with a de-

gree in the history of music and art from the University of To-

than visual artist, created a sculpture out of 13 television monitors, using an electromagnet to distort the simultaneous images on all of the sets. In 1965, he first used a portable video camera in one of his

In the two decades that followed, Paik explored an entirely new course of art, using both as his medium and subject an invention that would soon dom-inate not only communications but life on Earth. Inherently op-definitely not compromised his timistic, with an underlying craftsmanship. The works on current of his personal brand of Oriental Marxism, Paik's video-scalptures and installations dis-mantled television, both figura-Paik's 1960s collaboration with

tively and literally. In the 1980s, contemporary Paik sets a cello in the middle of and popular culture caught up his composition and frames it with Paik. The banks of televi-

kyo - where he wrote his se- sion monitors that swayed in itors that follow the concentric nior thesis on the composer Ardetached ecstasy above the contours of the instrument. The nold Schoenberg — Paik had dance floor at Studio 54, the video images are clear, exuding just begun his first experiments television stores that pointed warm, primary colors in a with video art. In 1963, in Wuppertal, Germany, Paik, who at ing to lure them inside, the frethe time was more composer netic pace of MTV, all these real-life realizations of Paik's intuitive and innovative video prophecies. At times, Paik's video art even seemed

tame in comparison. The sculptures and installations in this show are far less intellectual then they once would have been," says Dominique Stella, one of the curators of the Milan exhibit. "This time, Paik is aiming toward a

display are all aesthetically the cellist Charlotte Moorman,

a subtle, almost subconscious harmony between green leafy plants and a series of television monitors whose images, modulated light and strangely gurgling sound track flow through the vegetation as naturally as a mountain stream. The statement, that television and video have evolved into an indelible element of human consciousness, has already been made. With his message long dissemi-nated and absorbed, the Paik who fashioned the video sculptures at Milan seems less interested in illustrating his vision than in embellishing the public scenery. And this he does extremely well.

Ken Shulman is an American writer based in Italy.

BOOKS

THE SHADOW OF THE PANTHER:

Huey Newton and the Price of Black Power in America By Hugh Pearson. 422 pages. \$24. Addison-Wesley.

Reviewed by Michael Kazin

O NCE upon a time, Huey Percy Newton was a revolutionary hero. At the end of the 1960s, his elegant mulatto face and trim, muscular body gleamed from countless posters, underground newspapers, mimcographed leaflets and buttons. Newton had recruited the original members of his Black Panther Party for Self-Defense with the audacity of a Che Guevara: He patrolled the Oakland ghetto shotgun in hand, daring the hated white police force to disarm him. After one confrontation in 1967 ended in a policeman's death, Newton went to prison where he issued forceful, romantic manifestos calling for an alliance between militant blacks and radical whites that would liberate the "Mother Country"

from its "pig" overlords.

Among the millions of young Americans indignant about racism at home and war in Indo-) china, the justice of the demand to "Free Huey" was self-evident. Hugh Pearson set out to re-

veal how Newton and his organization abused the power they

Servant of the People, sabo-taged, in Pearson's view, whatever good his party had accom-plished. After getting out of jail on a technicality in 1970, he became a cocaine addict and ca-reened through a life of extreme contradictions. In public, he ceased talk about "offing pigs," journeyed to Yale for a series of debates, and made alliances with local liberal Democrats; privately, he styled himself the don of a black Mafia. In 1974, he fled to Cuba to escape charges of killing a prostitute and pistol-whipping his tailor. At the age of 32, Newton had destroyed his political career. In 1989, he made a final splash on the front pages. Notonous in the Oakland ghetto for demanding free chunks of crack, the entwhile revolutionary was shot to death by a gang member.

Pearson, a black journalist with the Pacific News Service, is not the first writer to tell this story. But Pearson's book is the first complete narrative — and the only one to attempt to place the Panthers within the larger history of African-American politics. Newton's organization, Pearson emphasizes, rose to prominence at a time when more restrained and ideologically moderate styles of protest were

Newton rooted his party in the streets, but he never shed the Newton, who dubbed himself self-destructive habits of that segment of the underclass and mistrusted any followers who ly criticizes the '60s left and the media for "elevating the rudest, most outlaw element of black

> ful movement for social change. The conception of Pearson's book is thus a landable one. He successfully treads the line between dismissing the Panthers as

black." People who are that damaged cannot lead a success-

perceived as failures. The Pan-thers were launched in 1966. a band of thugs and apologizing for their offenses by referring to the angry temper of the times. He fails, however, to explain why thousands of college students and others in the growing black middle class were attractquestioned his drug-binges and ed to Newton's party or why macho posturing. Pearson rightsands who viewed his casket and attended his funeral.

And Pearson's presentation America as the true keepers of lacks the empirical rigor a sub-the flame in all it means to be ject this controversial demands.

Michael Kazin, a teacher at American University and author of the forthcoming book, "The Populist Persuasion: An American History," wrote this for The Washington Post.

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INTERNATIONAL PERSONAL INCOME. COMMENTAL STRUCK OF SALES

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100: World Index Approx. weighting: 37% Close: 114.53 Prev.: 114.08 The Index tracks U.S. dollar values of stocks in: Tokyo, New York, L. Argentina, Australia, Austria, Beiglum, Brazil, Canada, Chille, Denmer France, Germany, Hong Kong, Listy, Medice, Netherkanda, New Zeelan Singapore, Spain, Swaden, Switzerland and Venezuela. For Tokyo, Ne Singapore, Spain, Sweden, Switzerland and M. London, the index is composed of the 20 top less otherwise the ten top stocks are tracked. 112.90 111.90 +0.36 115.42 114.26 +1.02 119.79 120.09 -0.25 127.57 126.45 +0.89 98.80 98.89 -0.09 116.54 117.45 -0.77 Consumer Goods Services 118.93 118.66 +0.23 Miscellaneous 128.68 128.16 +0.41 For more information about the Index, a booktet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neully Cedex, France.

Dollar **Awaits Fed Move**

Will Rate Rise Follow the Talk?

Compiled by Our Staff From Dispatches NEW YORK - The dollar finished with mixed results Friday as investors pondered whether a U.S. rate increase was imminent after several government officials spoke out in support of the currency.

The dollar finished in New

York at 1.5980 Deutsche marks, up from 1.5925 DM Thursday, and at 98.95 yen, down from 99.15 yen. The dollar rose to 1.3552 Swiss francs from 1.3477 and to 5.4800 French francs from 5.4435. The pound edged up to \$1,5276 from \$1,5240. Alan Greenspan, the chairman of the Federal Reserve Board, reiterated Friday that it was "clearly in our interests to

have a strong dollar." But although he acknowledged the dollar's movements sometimes played a "quite important" role in determining central bank policy, he said the Fed would not raise interest rates merely to stabilize the cur-

The dollar fell back after Mr. Greenspan's comments because they were seen as less suggestive of a near-term rate increase than statements he made earlier in the week.

But investors were reluctant to push the dollar down far becanse Mr. Greenspan's remarks closely mirrored the stance taken by Treasury officials and other members of President Bill Clinton's administration this

Although government offi-cials have made sporadic efforts to talk up the dollar before, this time investors began to believe the government was serious about supporting its currency because the Treasury and the central bank shared the same

"This is the first time since See DOLLAR, Page 10

Facing Exile to Brighton **Choice for American Express Workers**

By James Hansen ional Herald Tribune MILAN - American companies, often inclined to believe that "united states" are a good idea anywhere, have been more intent on treating the European Union as a single market than native companies. Now, American Express is giving 1,000 of its employees in Europe a chance to be even more pan-European than they might

American Express is asking local employees across the Continent to make a hard choice: remain in glamorous capitals like Rome, Madrid and Paris but lose their jobs. or accept a job-saving trans-fer to Brighton, the pleasant but less cosmopolitan resort city in the south of England.

In one of the first cases of so-called international mobility, the American credit card company is proposing to avoid layoffs at Continental processing centers by transferring excess personnel to its European headquarters in the English seaside town, where more staff is required, the company said.

that calls for personnel cuts at 16 regional "back office" centers in major European cities. It will affect more than a 1,000 of the company's 8,000 employees on the Continent. Although it has become routine for multinationals to

'So far, we've been lucky with the weather.'

An American Express executive

bounce their executives around the globe, the American Express personnel in-volved are midlevel administrative employees.

The transfer package worked out between American Express and its European labor unions offers employees a one-time payment of \$10,000 to cover moving expenses, assistance with housing costs over a three-year period and a free one-year course in English.

The company is offering a series of "familiarization siasm is not widespread."

The transfers are part of a tours" to prove to Continen-broad American Express plan tal employees that there is life tal employees that there is life after Dover, About 150 have already visited Brighton. "And so far, we've been lucky with the weather," an American Express executive said.

According to David Miller, the company's vice president for human resources/Europe, none of the company's employees has so far accepted the plan, but, he said, first feedback is good."

"Obviously, not everyone is going to go for this," Mr. Miller said.

The transfer plan is volun-tary but, at about a third of the sites where it is in effect, if it does not achieve the proposed savings in personnel costs, the alternative is a general reduction in working hours - and pay - for all hourly staff.

In Rome, where transfer is being offered to 143 of American Express's 700 local employees, an officer of Fisac-Cgil, the Italian banking and credit workers union, said "Some of the younger, more adventurous people may be interested," but that "enthu-

China Rejects **Textile Quotas** And Warns U.S.

States for slashing its quota on Chinese textile imports and warned of a possible trade war. Thina is willing to hold con-According to Chinese media, Washington decided to cut China's textile quotas as of July 1 in retaliation for an estimated \$2 billion of Chinese textiles that Washington says come into the

other countries. No percentage or dollar value closed U.S. Embassy officials could not be reached for com-

United States each year bearing

labels saying they come from

"The United States is trampling on the Chinese-U.S. bilateral agreement on textile trade by cutting import quotas without presenting enough proof," a

official China Daily. quota reduction was ordered intellectual property rights.
despite an agreement reached in Beijing and Washington are

deal, the sides set new measures BEIJING - China on Fri- to halt quota-busting by Chiday castigated the United nese textile companies and limit

sultations again and reach satisfactory solutions," the ministry spokesman was quoted as tell-

ing the Xinhua news agency.
"Otherwise, the Chinese side will reserve the right to make a further response. He added. "The U.S. side will be held responsible for all the consequences arising therefrom on of the quota reduction was disunjustifiable."

China sold textiles and clothing valued at \$7.2 billion to the United States in 1993, U.S. figures show.

The deputy U.S. trade representative, Charlene Barshelsky, on Thursday reiterated Wash-Foreign Trade Ministry spokes- ington's long-standing de-man was quoted as telling the mands that China open up its markets, remove trade barriers China said the unilateral and crack down on violations of

January that both sides said expected to begin charting a had averted a trade war. In that new relationship next week.

Sales of PowerBook Help Pull Apple Back to Profit

NEW YORK — Apple Computer Inc. said Friday that higher profit margins and lower restructuring costs helped pull the company back to profit in the third quarter of its financial

third quarter of 1993. Revenue was \$2.15 billion, up from \$1.9 billion a year ago.
The company said brisk sales

of its PowerBook 500 line of notebook personal computers

ers were responsible for the bulk of the revenue gain. Apple's gross profit margin rose to 26.7 percent in the third

quarter from 24 percent in the

second quarter. "We are pleased to see indusyear.

Apple said it earned a net Power Macintosh," said Mi\$138.1 million, reversing from a chael Spindler, Apple's presiloss of \$188.3 million in the dent and chief executive officer. The company also said "changing business conditions" allowed it to lower its estimate of the total cost of restructur-

costs associated with restructuring. But a readjustment of that estimate added \$126.9 million to net income.

"Over the last quarter we have improved our financial model, controlled our costs. and managed our working capital extremely well," Mr. Spin-

(AP, Reuters, Knight-Ridder)

■ Bankers Trust Net Slides Bankers Trust New York Corp. said Friday its secondquarter earnings fell 28 percent ing. In the 1993 quarter, the as rising interest rates and volacompany took a charge of and Power Macintosh comput- \$320.9 million for estimated tile worldwide stock and bond

markets took a toll on trading revenue, news agencies reported The seventh-largest U.S. banking company said net in-come fell to \$181 million from

\$251 million a year earlier. Trading revenue, or income made directly from the stock and bond markets, fell to \$124 million from \$405 million in the 1993 quarter. Trading-related revenue, which includes com-

from \$122 million.

Revenue from Bankers Trust's client financial risk man-quarter, agement business was dented by

missions, fell to \$121 million

losses in the derivatives market incurred by corporate clients like Procter & Gamble Co. and Gibson Greetings Inc.

The company did not disclose exact figures on the impact of trading in derivatives, which are instruments like interest rate swaps that derive their price from a security, stock or commodity.

Trading aside, Bankers Trust's asset quality showed continued improvement in the quarter. There was no addition to the credit loss reserve in the

(Bloomberg, Knight-Ridder)

ECONOMIC SCENE

Big Payoff for Big Steel Makeover

New York Times Service ARY, Indiana -The blast furnaces, rolling mills and slab carriers at U.S. Steel's lakefront plant here are running flat out these days, producing coil after coil of sheet steel for the automotive, appliance and container

The six-mile-long (10 kilometers) plant, despite the lat-est technology, is struggling to keep up with demand which is precisely the way the U.S. Steel International Inc. unit of USX Corp. and other big American steelmakers

After a decade of collapsing markets, bankruptcies by the dozens, mill closings and layoffs in the hundreds of thousands, prosperity has returned to the American steel industry. This time, the industry is prepared to let some business slip away rather than gear up to meet a peak demand that

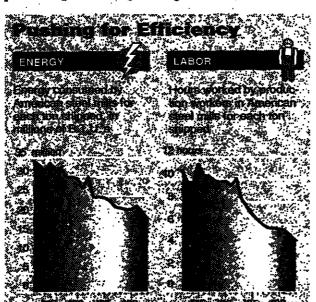
may be fleeting.
Although the social costs over two decades have been staggering in terms of lost jobs and economically ravaged mill towns, big steel's ma-keover is reaping big payoffs. The industry is expected to

Cross Rates

\$350 million in 1993.

Inland Steel Industries Inc. and AK Steel have just reported strong second-quarter profits, reversing losses a year earlier. And USX's U.S. Steel Group is expected to soon report earnings in the range of

Moreover, after years of winning only grudging price increases, the big steel compa-nies find themselves in a position to demand significantly more. Thanks in part to the weak dollar, which makes foreign steel more expensive, do-



earn \$1 bition this year, com- 47 cents a share, after a big mestic mills are flooded with pared with losses of about loss in the 1993 quarter. mestic mills are flooded with orders from the American industrial heartland.

Analysts estimate that the nation's integrated steel mills - those that convert raw material such as iron ore, coal and limestone into finished steel - operated at 96 percent of capacity last year. Fore-casts are that the industry will operate at 97 percent of capacity this year and 98 percent

"The steel industry is in pretty good shape for at least the next five to 10 years," said Harry W. Paxton, a former steel executive and now a professor at Carnegie Mellon University. "They cut back on manpower, put in new equip-

ment and did a whole bunch of things to improve on quality." Steel has even started to reclaim some of the market share lost to plastics and other materials in automobiles and appliances. A shortage of suitable timber may provide a long-sought opportunity for

steel to replace wood in some residential construction. Yet any assessment must be tempered with caution. Some analysts say the industry's fi-

nancial position was weak-See STEEL, Page 13

Air France Rivals to Examine EU Bailout Approval Terms

PARIS - The European Commission is virtually certain to approve next week a massive government bailout of Air France. The question s, on what conditions?

European Union airlines, their lawyers and other parties interested in EU policy on state aid are eager to see the terms under which the commission allows France to give its national airline 20 billion francs (\$3.7 billion) to keep it flying. An official in Brussels, who spoke on condi-

tion of anonymity, said the commission would attach the following conditions:

• Limits on the size of Air France's fleet and routes served. The carrier will not be able to increase its fleet beyond the 146 planes it already has, and it will not be able to expand the European routes it serves.

• The money may not be used for the French domestic carrier, Air Inter, an Air France unit. That carrier competes with British Airways' French subsidiary, TAT.

 No funding beyond the 20 billion francs promised will be allowed for the period of the restructuring, three years. Also, the funding will be awarded in three tranches, with the commission having to approve the second and third tranches before they can be awarded.

Air France must sell its Meridien hotel chain, a sale that is already in the works. Air France must return to the French govern-

ment the 1.5 billion francs raised for the carrier in 1993. That payment was the subject of a complaint filed with the EU by British Airways.

The French government also is expected to drop restrictions on the number of flights by other European airlines into Orly airport south of Paris, although it is not yet clear when those

Alitalia's chairman peers over the horizon to a privatized company with foreign alliances. Page 11.

restrictions will be dropped or whether there would be a complete end to all restrictions. Air France's rivals are particularly keen to see limits on capacity, or the number of available seats, and fares.

The greatest fear of its rivals is that the French carrier will simply use the package of aid to fund operations, allowing it to match low fares of competitors by subsidizing flights with the rescue money. Instead, they say, Air France should use the funds only to restructure - and that would involve cutting the work force.

Over the last year, the EU has come under strong pressure from carriers including British Airways and KLM Royal Dutch Airlines to level the playing field by banning state aid.

The commission said last month it would phase out all aid by 1997.

Geneva Wins **Trade Agency** Over Bonn

The Associated Press

GENEVA - This French-speaking city has defeated Bonn as the seat of the new World Trade Organization, in a major setback to German hopes of becoming an interna-tional diplomatic center.

After weeks of dithering, a WTO panel decided Friday that the new organiza-tion should take over the headquarters of the General Agreement on Tariffs and Trade, offered free.

The recommendation by the WTO subcommittee on finance and administration was adopted at an afternoon session of the WTO preparatory committee.

A statement said both offers were "largely compara-ble in quality" but that Ge-neva had the edge as it was host to other international organizations and would aid a smooth transition from GATT to the WTO. The WTO is to start life

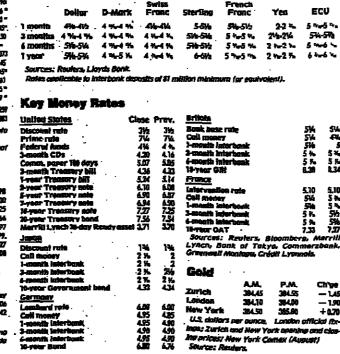
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CURRENCY & INTEREST RATES

July 22

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Mercedes-Benz Expects Stronger 1994 Results

ings this year, Mercedes-Benz SpA, have reported higher re-AG on Friday predicted "sub-sults for the first part of the stantially better" results for year.

The prediction added 2.5 percent to the share price of Daimler-Benz AG, the parent of Mercedes and the largest industrial conglomerate in Germany. Daimler shares finished at 772 from 753 marks on Thursday.

Mercedes attributed the expected rise in profit to the success of the new C-class model, introduced last summer, and a fall short of last year's level. gradual recovery in demand for

Helmut Werner, chief executive of Daimler's biggest subsidiary. the plan on which we agreed. in the bus market. It's a good statement, and

Mercedes reflects a broader im- ed a profit. provement for the market as a

STUTTGART - In its most an competitors, including Reoptimistic assessment of earn-nault SA, Volvo AB and Fiat

> The company's optimistic prediction comes despite an expected drop in sales in the sec-

Economies are enthering steam in France and Britain. Page 11.

Deutsche marks (\$494) on the ond half of the year. While Frankfurt Stock Exchange, up strong sales in the United States helped sales of new cars climb 37 percent in the first half of 1994, Mr. Werner warned that sales in the second half would

Mr. Werner also said the company plans to hammer out "We'll report a substantially an agreement by the end of the better result for 1994," said month to absorb the bus operations of Karl Kaessbohrer Fahrzeuge GmbH, eliminating We're proceeding according to its biggest domestic competitor

Mr. Werner indicated it was shows that we're on the right too early to predict whether the company would make a profit The brighter outlook for this year. Analysts have predict-

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Dow Inches Higher In Damp Mood

Compiled by Our Staff From Dispatches posted a slight gain Friday as expectations of an economic slowdown dampened optimism about earnings at Apple Computer Inc. and Microsoft Corp.

As long as concern persists that the Federal Reserve will raise interest rates and curtail economic growth, even robust earnings at technology bellwethers aren't enough to rally

U.S. Stocks

an industry group, let alone the entire market, said Philip Tasho, portfolio manager at Shawmut Investment Advisers.

The Dow Jones industrial avcrage ended 2.59 points higher at 3,735.04, ending the week with a loss of 18.77 points as declining issues narrowly overtook advancing issues on the New York Stock Exchange. Volume totaled 262.5 million

A decline in McDonald's also pressured the Dow. The shares fell 1% to 26% even though the fast-food chain said second-

quarter earnings rose 12 per-NEW YORK - U.S. stocks cent. The results matched expectations, but Peter Oakes, a Merrill Lynch analyst, downgraded the stock, citing "a con-tinued erosion in McDonald's same-store sales trend and more impressive earnings growth in other sectors of the market."

Some issues were getting a boost from good earnings reports, but investors remained cautious about a potential increase in short-term interest

Apple Computer jumped 2% to 30% after it said lower costs and increased shipments of its new Power Maciniosh computer helped it post net income that was above expectations.

Shares of Microsoft gained 2 13/16 to 50 9/16 after the company said earnings for its first quarter ending Sept. 30 would be between 24 percent and 30 percent higher than last year's. Optimism about Microsoft

gave a boost to other software Eastman Kodak rallied 1% to

(Bloomberg, AP)

DOLLAR: Awaiting Rate Moves

Continued from Page 9

Clinton took office that the Fed, the Treasury and the White House are all on the same side about the dollar," said Angelo Evangelista, vice president for currency trading at Bank of America.

Mr. Evangelista said the thought the Clinton administration had reversed its dollar policy because the currency's weakness had contributed to a slump in the bond market. That slump drove up the low interest rates

Foreign Exchange

that were central to Mr. Clinton's plan for stimulating the economy and reducing the federal deficit.

But Treasury bond prices continued to slump Friday on sentiment that Mr. Greenspan's remarks pointed to a rate increase sooner rather than later.

"The open question of whether they have done enough on interest rates is really spook-ing the fixed-income markets,"

said Adrian Cunningham, cur-rency economist at UBS Ltd. The price of the benchmark 30-year Treasury bond lost 7/32 point, to 84 21/32, taking the yield to 7.56 percent, up from 7.54 percent Thursday. The market is awash with

dollars which are not being recycled into Treasuries," said Gary Sakamoto of NatWest

The dollar was held back against the yen because traders were concerned that talks aimed at opening Japanese markets to U.S. goods would not bear fruit, leaving Japan's \$60 billion annual trade surplus with the U.S. intact.

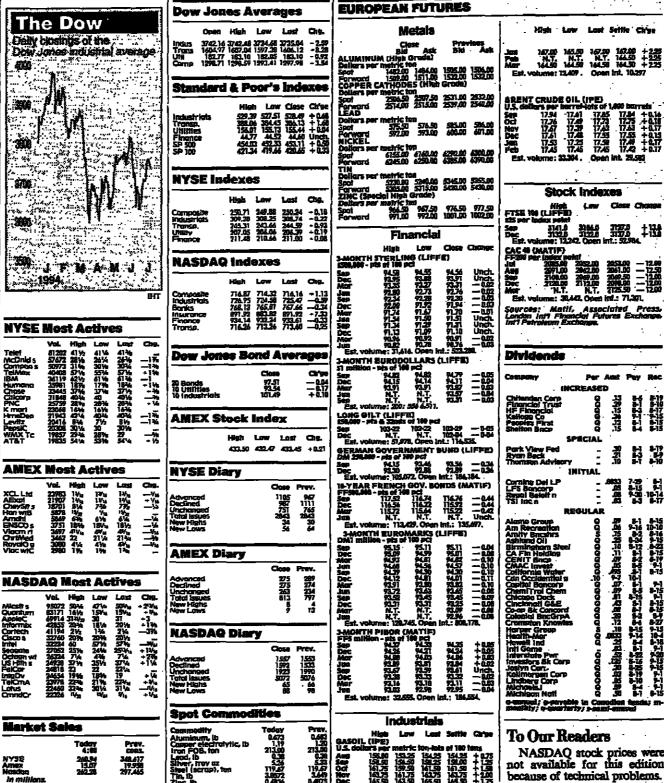
A report that Japanese officials would walk away from trade talks with the United States this weekend if its compromise proposal was not accepted fueled those fears.

The dollar has been extremely susceptible to any talk of trade problems with Japan, because that country's burgeoning trade surplus with the United States has been blamed for the dollars recent plunge to postwar lows against the yen.

Japanese exporters also are continuing to sell dollars for yen to repatriate profits, which also kept a lid on the dollar.

"Last week, the dollar was teetering at the edge of the abyss," said Marc Cohen, managing director at C-Wave Capital Management, a currencytrading fund in Fort Lee, New Jersey.

(Bloomberg, Knight-Ridder, AP, Reuters)



More Kidder Officials Expected to Quit in Fraud

By Sylvia Nasar

New York Times Service NEW YORK - Further executive resignations are expected soon at Kidder, Peabody & Co., the troubled brokerage company owned by General Electric Co., informed sources said.

The resignations could come even before the findings of a three-month internal investigation into the Joseph Jett case are

made public in a week or two. Mr. Jett was dismissed as head of the

and accused by the company of fabricating \$350 million in profits with phony trades. The GE chairman and chief executive officer, John F. Welch Jr., would not give names in an interview. But asked who

would be leaving Kidder because of the scandal, he said, "Things are going to hap-pen, obviously. That's all I can tell you." While officials have not indicated which Kidder executives might depart, the investigation has focused on how any action of such proportions could have escaped degovernment-bond trading desk in April tection of Mr. Jett's supervisors.

The scandal has already forced the resignation of Michael A. Carpenter, who was Kidder's chief executive.

The report summarizing the findings of GE's internal investigation, headed by an outside counsel, Gary G. Lynch, will assign blame solely to Mr. Jett, according to those familiar with the report.

But a major focus of the report is the manner in which Mr. Jett was supervised and the circumstances surrounding his hir-ing and promotion to managing director.

U.S./AT THE CLOSE

Quaker Sees Flat Fourth Quarter

CHICAGO (Bloomberg) — Quaker Oats Co. said Friday that fourth-quarter earnings would be comparable to last year's \$1.30 a share but below estimates for \$1.44 a share because of hyperinflation. tion in Brazil and disappointing sales in Europe.

The food company said its earnings projection excluded a previously announced fourth-quarter charge of about \$1.10 a

share for a restructuring.

But for the year, excluding the charge, Quaker is expected to report record sales, higher operating income and earnings per share, said William Smithburg, chairman and chief executive.

Clinton Appeal Helped Raytheon Bid

WASHINGTON (WP) - A personal appeal by President Bill Clinton to the government of Brazil helped Raytheon Co. win a contract to develop a \$1.4 billion environmental project, beating

out competition from a French firm. The Amazon Surveillance System will be the largest of its kind in the world, according to a vice president, Elizabeth Allen.
Commerce Secretary Ronald H. Brown said Thursday he, too. had lobbied for the Raytheon bid during a recent trip to Brazil, with every Brazilian leader I met, from the president down."

Southwestern Bell Profit Surges 14%

SAN ANTONIO, Texas (AP) — Southwestern Bell Corp. said Friday that second-quarter profit from operations rose 14 percent. The company credited strong performances in its cellular and

The regional telephone company earned \$385.5 million, or 64 cents a share, in the quarter, 31 percent more than year-earlier profit of \$294 million, or 49 cents a share, after a \$43 million charge to refinance long-term debt.

Kodak Splits Office Imaging Division

ROCHESTER, New York (Bloomberg) — Eastman Kodak

Co., continuing a reorganization, said Friday it was breaking its office imaging division into two businesses.

Richard T. Bourns, executive vice president of the company's imaging group, will head the new businesses, Kodak said. Edgar J. Greco, vice president and general manager of office imaging. plans to retire Sept. 1.

Westinghouse Profit Slumps 11%

PITTSBURGH (Bloomberg) - Westinghouse Electric Corp. said Friday that second-quarter earnings fell 11 percent because of the continuing downturn in electronics and power-generation.

Westinghouse posted net income of \$75 million, down from \$84 million, in the second quarter last year. Revenue fell to \$2.1 billion from \$2.2 billion.

Exide to Buy Spain's Battery-Maker

BLOOMFIELD HILLS, Michigan (Bloomberg) - Exide Corp., the U.S. manufacturer of lead acid batteries, said it had agreed to buy the Spanish battery maker Sociedad Española del Acumulador Tudor SA from its majority shareholder Banco Español de Crédito SA (Banesto) for \$230 million in shares. Exide plans to launch its tender offer as soon as the Spanish. Securities Commission approves the agreement. The purchase gives Exide 57 percent of the company and furthers its recent push into the European market.

Kellogg Earnings Rise 6.2%

BATTLE CREEK, Michigan (Bloomberg) — Kellogg Co. said

Friday that earnings rose 6.2 percent in the second quarter as the company made worldwide efforts to improve operations like product distribution and plant efficiency.

The cereal giant said net income rose to \$151.5 million, or 68 cents a share, from \$142.7 million, 62 cents, a year earlier. Results for last year include Mrs. Smith's pies and Argentine snack-food operations, both of which have since been sold.

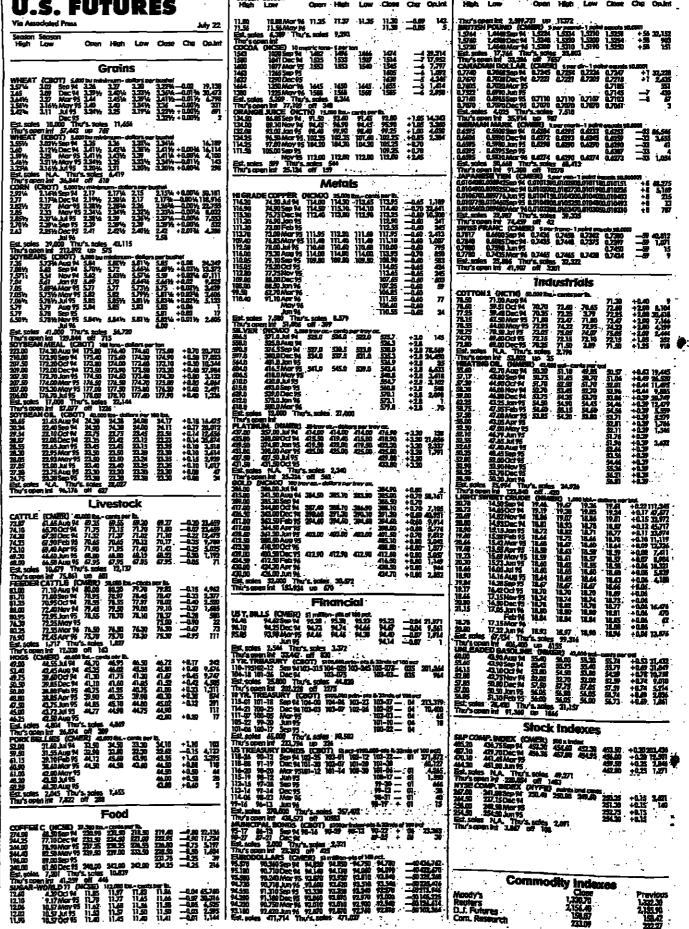
For the Record

Medaphis Corp., a provider of medical-management services, agreed to acquire Advacare Inc. a medical billing and management company, for \$95 million in stock and debt. (Bloomberg)

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The board of New York Times Co. approved the construction of a \$315 million printing and distribution plant in College Point, Queens, to replace operations in midtown Manhattan. The new plant will allow the use of color in advertising and news sections of the daily paper. (NYT)

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EUROPE

مكذا من الأصل

British GDP Shows Economy Growing Fast

LONDON — Official figures aggested Friday that the Brith economy had returned to rowth rates of the boom years t the end of the 1980s, and enneth Clarke, the chauceand for the Exchequer, pledged to insure continued growth.

The Central Stansucar aid gross domestic product ercent in the second quarter rom the first quarter. In the ust quarter, GDP rose 0.7 per-

The country's domestic out-ut was up 3.3 percent from a ear earlier in the second quar-ear, compared with 2.9 percent the first quarter. Excluding oil and gas pro-

uction, the economy grew 0.8 ercent in the second quarter, r 2.7 percent year-on-year. The data surpassed expecta-

The Central Statistical Office iid total GDP was now 5.2 ercent higher than at the ough of the last recession in ie first quarter of 1992. Mr. Clarke welcomed the

was now stronger than at any time since the country's recovery began in the second quarter of 1992.

Annual William Control Control

"We are seeing the sort of recovery we want to see steady, increasingly broadly based with unemployment falling and inflation remaining

low," Mr. Clarke said.
"I intend to make sure we turn this favorable combination not into a boom, which goes bust, but into an upswing, which lasts for many years." The government predicts

GDP growth of 2.75 percent for 1994. David Coleman, an economist at the Canadian Imperial Bank of Commerce, said the target was realistic in view of the figures.

The statistical office said that total GDP was now 1.5 percent higher than it was in the second quarter of 1990, just before the economy went into recession.

But some economists say growth may slow under the weight of tax increases that took effect in April.

Pirelli Tires Rolling Again in Italy **But Political Turmoil Creates Uncertainty for CEO**

main bullish about Pirelli. The

crease in the first half of July,

though since then, the stock

- like nearly all other stocks

traded in Milan - it has been

A Split Personality Breakform of Pirall's 1993 sales by product category.

stock showed a 9 percent in-

By John Tagliabue
New York Times Service MILAN - It took a neardisaster at Pirelli SpA, Italy's pany as a whole rests. giant rubber company, to

bring Marco Tronchetti Provera to the helm. Rapid expansion in Europe and the United States in the 1980s spawned a mountain of debt, and by 1992, when Mr. Tronchetti took over as chief executive in the midst of re-

chors of tires and electrical cables were foundering. The success of Mr. Tronchetti, 46, in refloating Pirelli made him just about the most talked-about man in Italian business while boosting the

cession, the company's an-

company's sagging shares. This year, the question is buffeted by the near-collapse whether Mr. Tronchetti is of the government of Silvio tough enough to face down Berlusconi It closed Friday at what may be a stiffer chal- 5,460 lire (\$3.50) a share, up lenge — keeping Pirelli from 60. sinking in the new storms in

Pirelli is the world's thirdtalian politics.

largest maker of optical fiber
They threaten to swamp his cables, and Mr. Tronchetti's Italian politics. strategic plan for the future of strategic plan is this: He badly

lysts say the future of the comcompany still on the government's drawing board as part And they have come when of its work to privatize the retrenchment and a strike at state-controlled telecommuni-

the company's tire division in cations industry. the United States, Pirelli Arm-The acquisition, he says, strong Tire Corp., are highwould ensure the nation of a lighting survival risks conmajor telecommunications fronting all in the industry company with the scale to except giants like Michelin compete when Europe's tele-Tire Corp., Goodyear Tire & communications monopolies Rubber Co. and Bridgestone break up. It would also preserve a base for Pirelli's cable For all this, investors re-

"I think it important there be movement on both wings of the business," said Luca Comi, a share analyst at Milan's Intereuropa brokerage. "But Telecom is very important, also at a psychological level. Optical fibers is where the company is lagging, and it would provide Pirelli with a privileged access channel."

Italian politicians take a different view. With Telecom

machinery lines and other products 19%

the company's electric cable wants to acquire a sizable Tronchetti is under assault by division, on which many anassault in Telecom Italia, a two key groups.

One is the state industries' professional managers, worried about their jobs if an ag-gressive industrial shareholder of the likes of Pirelli with clear business goals assumes a

major share. The other is made up of small businesses central to the uneasy coalition that keeps the right-wing government of Mr. Berlusconi in power.

The small businesses have long feared the weight of large ndustrial concerns.

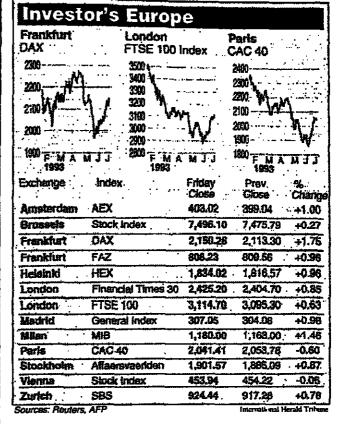
In Rome, legislators are accusing Mr. Tronchetti of trying to transform what had been a public monopoly into a private one and have vowed to block any attempt by Pirelli to obtain a controlling share of Telecom.

Mr. Tronchetti rejects all such charges.

"Liberalization will cause two phenomena: First will be a lowering of rates, and second, a reduction of everyone's market share. We've got to seize the opportunity, or Italy risks becoming marginalized, forced to cede development to third parties."

If history is any guide, Mr. Tronchetti is a master at seizing opportunity. A graduate of the management school of Bocconi University, Mr. Tronchetti got his start in the \$320 million-a-year family business, Camfin SpA, trading in raw materials,

After a spell in London as a trainee with a sea transport company, he returned to set up a shipping agency, and at 28 he married Leopoldo Pirelli's daughter. They have since



Very briefly:

• Glaxo Holdings PLC, the British drugs company, said it filed suit in the United States against Novopharm Ltd. of Canada, charging infringement of its patent on the anti-ulcer drug Zantac.

• The Commonwealth of Independent States' industrial output fell an average of 27.6 percent in the first half from a year earlier. Russia entered the capitalist phase of its privatization program Friday, allowing Russians to buy shares in cash and private investors to take control of privatized businesses.

• BfG Bank AG, the German unit of Credit Lyonnais of France, said it bought the 30 percent stake in Berlin-based Deutsche Handelsbank AG it didn't already own from Treuhandanstalt.

 Bankgesellschaft Berlin AG wants to raise its 60 percent stake in Braunschweig-Hannoversche Hypothekenbank AG to 100 percent. Germany's trade surplus narrowed to 5 billion Deutsche marks (\$3 billion) in May from a revised 6.7 billion DM in April.

 Poissh media venture NTP Plus SA, partly owned by U.S. cosmetics heir Ronald Lauder's Central European Media Enter-prises Group, has won 12 regional television licenses in Poland. • European Union average annual inflation was 3.2 percent in

June, unchanged for a fourth consecutive month, the EU statistics

Manufacturing Output Leads French Recovery

: PARIS — The French econo-Lay is recovering from recession ith gathering speed, figures ublished on Friday indicated. Manufacturing output rose 2 percent in May from April, ne official statistical institute

==uding manufacturing, energy, ==od and agriculture, rose 0.3 ~ encent. " Activity in the car industry creased 1.1 percent, INSEE

cluding the construction and

- ablic-works sectors but in-

"I NSEE said. Industrial output,

Total output has not yet re-wered to levels achieved bere the recession but has risen entimuously since November.

who benefited during the last few months from a payment of 5,000 francs (\$935) for owners of 10-year-old cars exchanging them for new models, are now exporting to a recovering Euro-

Customs figures published Thursday showed that French exports had risen 3.2 percent in May, to 107 billion francs, the highest amount since April 1992.

The Economics Ministry said the figures showed that the recovery was "robust and accelerating" and that gross domestic product might show growth of 1 percent in the second quarter alone. The government is expected to forecast growth for the whole year of 1.4 percent.

Alitalia's CEO Peers Over the Horizon

ROME - The state airline Alitalia, emerging from deep fi-nancial troubles, wants to expand alliances with foreign airlines and move to privatization, its chairman, Renato Riverso, said Friday.

Mr. Riverso, a former computer industry executive, was of the restructuring plan, which

appointed this year to overhaul the airline.

The timing and method of three years and improve pro-

Alitalia's privatization are still ductivity by a quarter.
unclear because a cost-cutting
Alitalia, whose losses soared and reorganization plan is just

twentyfold to 337 billion lire getting under way, he said. last year during a recession and Mr. Riverso, 60, said much price war, took a big step this month on the road to restructuring with an agreement to shed 1,570 jobs. Mr. Riverso said he should be

able to take stock by the end of 1995 as to how soon privatization can begin. "In my mind, the end of 1995 will be a key point," he said. "We will be able to assess Alitalia's situation and see if we can go or not."

The cuts to the 20,000-strong work force fell well short of

verso welcomed the cuts, saying they helped generate agreement on the need to rescue the com-

The cuts go along with a radical shakeup of the route structure and fleet to make Alitalia more flexible and efficient and to put it back in touch with the market, he said.

Executives expect the airline to have a loss again this year but profit in 1995. Tighter forms of cooperation

with any future partner, such as cross-shareholdings, could come later if needed.

"We must prove to ourselves work force fell well short of that it works and we can create Alitalia's initial target of elimi-synergies." the chairman said.

ITT Must Make Ciga Bid

MILAN - ITT Corp. must make a public bid for as many Ciga Hotel SpA shares as it already owns, Italy's stock market regulator Consob said Friday.

If the bid is fully subscribed, it would cost ITT about 250 billion lire (\$160 million) and result in ITT owning about half of the the luxury c

A Consob director said the agency had not decided whether the bid would have

to be for the 20.3 percent stake that ITT held at the time of Ciga's general meeting this month or the 24 percent it holds now. ITT's Sheraton Hotels di-

vision tried and failed to buy Ciga hotels this year but then began buying shares on the market. Under Italian law, when a

buyers accumulates more ny without a public offer, it must make an offer for an equal amount of shares.

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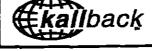
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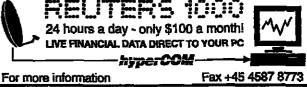


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Friday's Closing
Tables include the nationwide prices up to
the closing on Wall Street and do not reflec
tiate trades elsewhere. Via The Associated Press

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Japan Warns China Not to Use Its New Satellite

TOKYO — Japanese offi-cials accused China on Friday of violating international regulations by launching a satellite into orbit near a Japanese one, and they threatened to take "appropriate measures" if the satellite's relay unit was switched on.

An official of the Ministry of Posts and Telecommunications here said that transmissions from the Chinese Apstar 1 communications satellite, launched Thursday despite Tokyo's strong protests, would interfere with a nearby Japanese relay satellite.

"We'll immediately take appropriate measures if China switches on the satellite's transponders and causes transmission interference with our satellite," the official said.

He declined to elaborate. He said the Chinese satellite was expected to start transmitting in about a month. Japan charges that China de-

fied rules of the United Nations International Telecommunication Union, a 182-nation body that coordinates global policies.

"Because Japan had placed its satellite earlier than China, the international rules oblige China to secure consent from us, but there has been no action whatsoever from China," the Tokyo Posts and Telecommuni-

The Apstar I, owned by the STAR-TV.

Chinese-controlled APT Satel-lite consortium based in Hong

media giants. China said it was placing the satellite at 131 degrees east longitude, above the northeastern tip of China, between the Sakura 3a satellite used by Nippon Telegraph & Telephone Co., which is at 132 degrees east, and Russia's Rimsat, at

Kong has contracts to carry

television signals for Western

Since May 1993, Japan has been asking China either to change the Apstar l's planned position or refrain from using

band widths used by Sakura 3a. China is promoting its satel-lite launch business as a costsaving alternative to more expensive systems in other parts of the world. The Apstar I was put into space by a Long March
3 rocket from the Xichang space center.

Among customers for the Apstar 1 are Turner Broadcasting System's CNN, the sportscaster ESPN Asia and Viacom International.

Also on board are HBO Asia. Discovery Communications. TVB International and Reuters

The Japanese-Chinese controversy raises some complex issues for Apstar I's media customers, which are trying to gain exposure in Asia equal to that of the region's industry leader,

For Salomon, a 'Problem' Complaints Pile Up at Hong Kong Unit

By Susan Antilla

New York Times Service NEW YORK - Salomon Inc. had plenty of problems to disclose Thursday as it reported a quarterly earnings plunge of more than \$200 million. But there was one headache the firm did not discuss. At Salomon Brothers, the brokerage unit, it's called "the Hong Kong problem."

Since March, 10 investors who had been served by a broker in the Hong Kong office have filed arbitration complaints against the

Among other things, the investors contend that Betty Wu, the broker, sold them inappropriate investments not intended for retail customers and that in some cases she sold the securities to investors in the United States, where, they say, she is not licensed to do

Jonathan Kord Lagemann, a New York lawyer representing six investors who have filed against Salomon and Ms. Wu, estimates that the firm could be liable for as much as \$40 million if a panel of arbitrators rules

Robert Baker, a spokesman for Salomon, said in reference to covering potential prob-lems from Ms. Wu's customers: "We believe our legal reserves are adequate."

The other bad news for Salomon Brothers had already been signaled before the company said Thursday that it had a \$204 million loss in the second quarter: Salomon issued a warning on July 6 that the quarter's news would be bad.

But for investors who did business with Ms. Wu, Salomon's losses were not the issue. Their concern is that they were sold fixedincome securities in late 1993 and early 1994 that were far riskier than they had been ad-

These securities included mortgage-backed securities known as CMOs, or collateralized In marketing materials mailed to the plain-

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tiffs, Salomon Brothers Hong Kong Ltd. said the securities were "very liquid" in most cases, that they were "very safe" credits and that "there is always a bid price for any of these bonds."

The securities had "no credit risk and no market risk," the material added.

So it came as something of a surprise to Ms. Wu's clients when they began to get margin calls in early March for more cash to cover potential losses. The calls, in some cases, were for three times the amount they had initially

On March 11, three days after Ms. Wu had

Investors are seeking arbitration after getting big margin calls for what were billed as 'very safe' investments.

sent a message requesting \$258,110 from Paul Lang, a Hong Kong investor, Mr. Lang re-ceived a letter from William H. Heyman, Salomon's managing director in charge of retail accounts, threatening legal action if the margin money was not forthcoming.

Mr. Baker, the spokesman, said, "Salomon Brothers has a very small retail business limited to high-net-worth clients," Salomon, he said, felt that "our clients are knowledgeable and able to appreciate the risks of their investments.'

But Mr. Lagemann said that a sophisticated investor would have known to hedge posi-tions in these types of securities, in which the investors were putting up very little cash to make big bets, in this case at ratios of between 90-to-1 and 95-to-1.

Such a bet leaves an investor exposed to the possibility of big and sudden losses. His clients did not take such precautions, he said.

Shenzhen Regulator **Under Fire**

SHENZHEN - Shenzhen's top securities regulator is no longer reporting for duty, a spokesman for the regulatory authority said Friday.

The spokesman was contacted after Hong Kong newspa-pers reported that Wang Lin. head of the Shenzhen Securities and Exchange Commission, had been arrested by Hong Kong immigration officers after trying to enter the territory with a suspicious passport.

Mr. Wang was arrested early this month and sent back to China, where he is under investigation, the reports said.

Wang isn't working at present, and you won't be able to reach him," said a spokesman from his office, who declined to be identified.

Mr. Wang's troubles are just the latest blow to the already slumping confidence in the Shenzhen market. Prices for locally owned shares are in a tailspin, and trading in foreignheld shares is comatose.

Many investors have blamed stock market flat, so the idea that Mr. Wang might have been involved in any indiscretions still 6 percent below the year-earlier level.
will do little to cheer those who • Telstra Corp., an Australian state-owned communications comown shares listed in Shenzhen.

"It's suddenly dawned on investors that playing the stock market can be risky, said Ceng Jian, a fund manager with the investment arm of Shanghai Wangguo Securities. "The short-term outlook is not good, could see some smaller broking causing stronger-than-expected demand for beer. houses going out of business

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 Singapore Airlines Ltd. will move part of its accounting operations to China to beat rising costs and a labor shortage.

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slack regulation for leaving the • Fanue Ltd., which makes numerical control equipment, raised its pretax profit forecast for the first six months of its financial year to 11 billion yen (\$111 million) from 9.8 billion yen; the figure is

> pany, plans to spend 267 million Australian dollars (\$197 million) to expand International Communications Corp., a Philippine telephone company in which it has a 40 percent stake. • Rank Commercial Ltd. said it would drop its 501 million

Australian dollar bid for Foodland Associated Ltd. if it cannot persuade a federal court to lift an injunction blocking the deal. • Sapporo Breweries Ltd. raised its pretax profit forecast for 1994 and in the next six months we to 11.5 billion yen from 11.1 billion yen, saying hot weather was

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HONG KONG — Licenses will be required for the retail sector of the foreign-exchange market starting at the end of September, a regulatory official said Friday.

The executive director of the Securities and

Futures Commission, Michael Wu, said the action had been taken in response to a flood of complaints.

sure how many such operations there are.

"The range of abuse," he said, "was from fly-

ty — to outright fr

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The commission will impose education or

rules. This includes already licensed financial institutions such as banks, Mr. Wu said. Also exempt will be foreign currency instruments, such as options, which are listed on a central

STEEL: Revamped and Prosperous U.S. Industry Sets the Standard in Efficiency and Cost Continued from Page 9

ened by the losses and debt tak-duced, American steelmakers en on during during the 1980s and that steel has huge pension liabilities that have yet to be financed.

greements" that limited imports in the 1980s expired in a cost to many workers. The 1992, but the industry has con- industry's employment in the tinued to try to limit imports by United States peaked at filing complaints that many im- 650,000 in 1953. Four decades filing complaints that many imports are being sold at less than later, the total is close to their cost of production. 175,000. Some companies, in-

company in Exton, Pennsylvania. For every ton of steel proexpend 5.3 man-hours, compared with 5.6 for the Japanese and Canadian industries and 5.7 in Britain, France and Ger-

The "voluntary-restraint many, Mr. Plummer said. But this progress has come at "The American steel industry cluding U.S. Steel, have five reis, on average, the most produc- tired workers for every active

America. The wages were still and metallurgical coal, good, at \$29.57 an hour, in 1992, but far fewer were receivter of gravity is in north ing them.

The cavernous buildings here seem almost devoid of humans. Employment totals close to 8,000, but few workers are on the plant floors where solid steel is processed. Steelworkers today run plants from computerized, air-conditioned control

The industry's geography has also changed. In the traditional American

steelmaking regions, primarily

best benefits in blue-collar be close to the sources of iron ore pour molten metal into individ-Today, American steel's center of gravity is in northern In-

diana. Companies that once boasted of making every steel product from "nails to rails" have conceded low-value items such as concrete reinforcement bars to foreign steelmakers and the small U.S. mills producing steel

One of the key technological changes for American steelthat turn molten metal into sol-

from scrap.

ual molds, wait for it to cool strip off the mold and reheat the steel for processing. In recent years, the United

Steelworkers union negotiated contracts that gave the companies more flexibility in assigning workers. In return the union has gained, among other things, the right to name one of the company's directors.

Together, continuous casting and greater labor flexibility have produced sizable cost remakers has been the installation ductions. The Economic Strateof continuous casters, machines gy Institute, a Washingtonbased research organization,

EDUCATION

The larger, wholesale side of the foreign exchange business will be exempt from the new At present, almost anyone can set up shop in

Hong Kong and trade in foreign exchange. In fact, securities officials said they are not even

by-nights — companies taking client assets and closing shop, turning off client accounts, abuse transactions will be tape-recorded to make commission investigations easier, and there will be an

work-experience requirements on applicants seeking licenses and demand that each company nominate at least one "responsible director" with at least three years' experience in the foreign-exchange industry and three years in senior

The commission warned potential customers wanting to trade on the retail level that, until the tive in the world in terms of one. new rules are in effect, "extreme care will have to be taken" to avoid losses to "mscrupulous traders who might have to 'close shop'" if their license applications are rejected.

man-hours per finished ton of During the plant's peak employment at Gary Works in near Pittsburgh and along the processed while still red-hot. Source Strategies, a consulting some of the highest wages and town, Ohio, mills were built to since the earliest days, was to 1982 to \$161 a ton in 1992. Under the new regulations, all telephone new rules are in effect, "extreme care will have to be taken" to avoid losses to "unscrupulous tradlicense applications are rejected.

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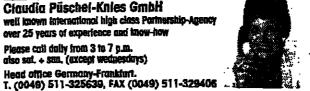
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FIRST COLUMN

You Are What You Dare to Risk

OU are 46 years old, married and in full- or part-time employ-ment. Your income is \$50,000 per annum, a reasonable compensation for the degree you spent four years or more at college to obtain. You are, as you have probably guessed by now,

More precisely, you are a typical fund investor—a refugee from the pages of the new fact book published by the U.S. mutual fund industry's representative body.

the Investment Company Institute (ICI).

While data dumping of the "most common characteristic" variety renders the ICI's new missive far from a compulsive page turner, the book provides clearly written and useful information about the state of today's fund industry.

Easily the most interesting chapter is "Shareholder Perceptions of Investment Risk." The ICI conducted its own survey into investors' attitudes regarding the risks inherent in mutual fund investing, and it is pioneering research. Indeed, although regulators require all kinds of warnings to be slapped on investment literature, it seems that few investors really pay attention to that bald statement—
"Investment values may go down as well as up"—until they see their own investment begin to go down.

The ICI survey essentially classifies investors by the amount of money they are prepared to lose. It reveals that 16 percent of fund investors are of the "daring independent" type. They are risk-oriented and more likely to invest in shares than bonds. A further 16 percent are daring, but only with money they are prepared to lose.

The biggest single group (29 percent) of investors is "conservative disinterested." These people do not consider playing the stock market exciting, but are more sharethan bond-oriented because their primary objective is long-term capital gain. It is, in our view, these people who are the most likely to get rich.

Have Bond Markets Bottomed Out?

By Iain Jenkins

VER the past six months, bond investors have been battered and bruised by the market's steep fall. Few things like it have been seen since the oil price shocks of the 1960s. But for the first time since February, an upturn in prices is causing a new note of optimism to creep into the market. Behind the rally is a ferocious battle for

the "hearts and minds" of the investment community. In one corner are the "bulls," who say that inflation, which initially spooked the market, is nowhere to be seen. In the other are the "bears," who see inflation lurking behind every number.

Buying in recent weeks has been nervous. Bond investors no longer know who or what to believe. They don't want to miss the bottom of the market but, equally, they don't want to get sucked into a "bear market rally" which will collapse again in a few weeks time.

Terence Prideaux, director of Kemper Investment Management in London, is convinced that the rally is part of a re-assertion of fundamentals. He believes bonds have become cheap. "It makes me angry when I hear people pointing to inflation as the explanation for the bond market falls. Where is this inflation? Economists can't find any," he says.

Mr. Prideaux pointed to consensus economic forecasts, which have been revised in recent weeks, and which show little or no pick-up in inflation, to defend his view. North American inflation is expected to

stay unchanged at 3.2 percent for 1995, while European inflation is expected to come down by 0.1 percent to 2.9 percent. analysts say. Only Asian inflation is expected to increase slightly.

But Nick Knight, market strategist at Nomura International in London, warns: "Don't get sucked into false optimism.

"There is no hurry to buy bonds," he said. "The best strategy is to sell into market rallies. We are now in a bear phase where there are rallies, but they are to be sold into, not sucked into. However, rallies can go on for some time which is worrying for the bear."

Essentially, the inflation argument is that as growth picks up, inflation will follow in its footsteps. Then, governments will be forced to raise interest rates to combat rising prices.

Indeed, it was signs of rapid economic growth in the United States earlier this year, followed by the early-February rise Fund vs. direct investment

in interest rates that prompted the bond market collapse.

Since then, better-than-expected growth from Germany and a steady rise in commodity prices have helped stoke the fire. Headlines about Brazilian coffee harvests and soaring coffee prices have added to the mood of fear that commodity prices might also drive inflation higher.

The results for anyone owning bonds or fixed-income mutual funds have been frightening. Total return since the beginning of the year in local currency terms are negative in virtually all markets. Britain is down 12.6 percent. Cananda 10.56 percent, Ireland 9.61 percent and the United

States 4.95 percent.

But Alison Cottrell, an economist at Midland Global Markets in London, doesn't buy the inflation argument: "Big upturns in inflation usually come from major outside events like an oil price shock or a currency halving in value," she said. "Soaring coffee prices aren't it.

"The rot seems to have stopped as long as nothing goes wrong with U.S. Treasurys again," Miss Cottrell continued. " However, the investor is still cautious about going into the market. It takes a lot of courage. So

far this year, the best policy has been to sit on your hands and do nothing."

Key to a recovery in world bonds is the United States. The pattern has been for European, Japanese and emerging-market bonds to exaggerate the trend of U.S. Treasurys. Only in the past few weeks has the European market shown any signs of decoupling. However, this link could reassert itself if any surprises in U.S. inflation or monetary policy are around the corner.

Nick Stamenkovic, an economist at DKB International, the Japanese bank, thinks that the shocks are over. "If we do see the U.S. Treasury market stabilize, then bond yields will fall in Europe," he said. "There will be a rally in second half of the year, but it won't get to the level we

Equally, monetary policy is unlikely to cause a surprise. The market is already discounting a further rise in U.S. interest rates by 25 basis points. A move by the Federal Reserve is expected some time in

International Bonds Page 15 Hard times in emerging markets

The renaissance of junk Nordic countries in crisis

August, but few believe it will spark off another bond market sell-off.

Kevin Gardner, an economist at Morgan Stanley in London, sees some upturn in inflation but says it will not be much: "Investors are still likely to remain nervous until they are confident about the size of the upturn. Because of recent histo-

ry, they won't take anything on trust."

Mr. Gardner also said that the main argument against bonds is "the high return on physical capital." This is the return that companies can and form their turn that companies can get from their assets. It is expected to reach levels not seen since the 1960's in many developed economies, which should boost dividends. "The economic environment is telling

you to buy equities over bonds," he added.
But once again the "bulls" have a counter-argument. They expect the bond market crash and the rise in interest rates to slow the pace of economic recovery. This could dampen any limited signs of inflation, which in turn could give bonds a

much needed fillip.

The excitement of the liquidity-driven bond buying frenzy last year had the effect of bringing forward growth," said Mr. Prideaux, at Kemper."Now the increase in

interest rates may bring about a small surprise on the downside by shaving growth."

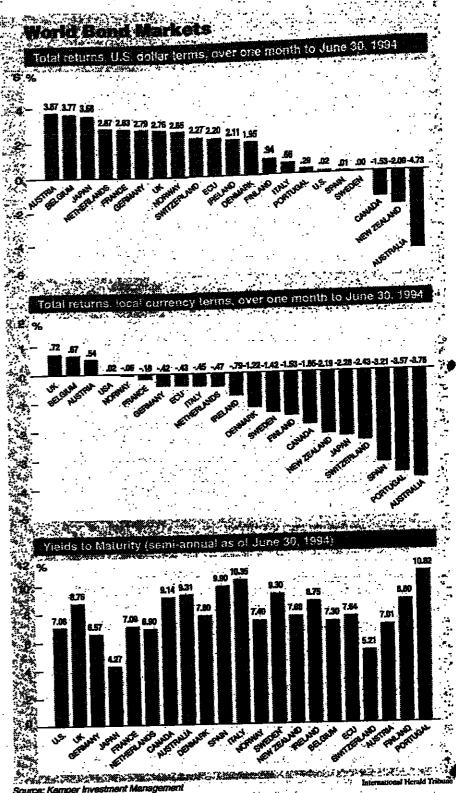
Mr. Prideaux said the best value for U.S. dollar investors is in Australia, Canada, New Zealand, Ireland and Finland, Japanese and Georgen bonds, he said, look nese and German bonds, he said, look unattractive because of the weak dollar.

Another option for the dollar investor is emerging-market bonds. Marc Wenhammer, director of fixed income at fund managers Foreign & Colonial in London, says: "A lot of non-traditional emerging market investors came into the market last year. They bought an overly optimistic story. When things went wrong they over-reacted and de-leveraged. Now, there is some good value out there. For the non-dollar investor, the best bets

may be "core" European countries such as Germany, France and Holland. "There is still a lot of uncertainty, but the key is to buy markets that look out of synch with their fundamentals, such as Germany, said Nigel Richardson, head of bond research at Yamaichi International. "Overall," continued Mr. Richardsdon,

fundamentals are beginning to re-assert themselves. At some stage, the rally may run into profit-taking, but reality does at last seem to be settling in."

That view is shared by more and more analysts, which suggests that the worst for global bond markets may be over.



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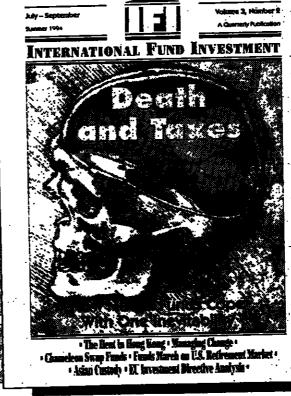
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THE MONEY REPORT

Emerging' Debt Hurt by 'Mature' Woes The political risk in Mexico is grow the political risk in Mexico is grown to the

By Conrad de Aenlle

HE HORDES of people who have bought emerging market bonds have also bought the theory that the bonds would not be susceptible to rising interest rates in the mature markets. Economic and political progress, proceeding apace in much of the Third World, would support debt prices, no matter what happened to bond markets elsewhere. Or so it was thought.

It worked until late January, bonds in Europe and the United States began a protracted decline. Emerging market debt, especially government issues known as Brady bonds, fell right along with them, and hard,

Bradys, which are sovereign bonds partially backed by U.S. government paper, have fallen roughly 20 percent in total return this year, according to figures compiled by J.P. Morgan.

People didn't realize how closely Brady bonds would follow U.S. Treasurys," said Joyce Chang, a director in the emerging markets research department at Salomon Brothers in New York. "It was easy last year for people theoretically to say there would be no impact from rising rates on Treasurys, but nobody really knew what would happen when interest rates went up. It made more of a difference than fundamentals."

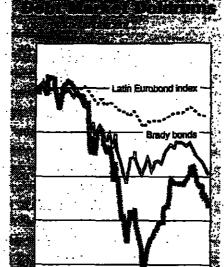
Actually, it shouldn't have come as too great a shock. Yields on emerging market debt more often than not are quoted as tereads over U.S. Treasury yields, rather than in absolute terms. The yield on American 10-year notes rose from less than 5.2 percent to almost 7.5 percent over several months. Third World issues would not have done comparatively worse if their yields had nisen by 2.3 percentage points as well.

"You can't look at growth in emerging markets and say 'They're immune, put your money here,' " remarked Leena El-Ali, a fund manager at Foreign & Colonial Emerging Markets in London. "Since they're defined in terms of what they give as a premium above Treasurys, there's a limit to what they can do. Even if the spread is the same, it doesn't mean you can't lose money."

She added that "for the spreads of the Latin issuers to narrow, you'd have to have a good improvement in the underlying credit story.

But the plot isn't unfolding quite that way. The juggernaut of economic and political reform in emerging markets, once seen as unstoppable, has come upon some roadblocks, and in some places, notably Venezuela, it seems to have hung a U-turn.

Venezuela's president last month suspended some constitutional freedoms, imposed price and foreign-exchange controls and put the banking system under government control. After trading last year above



70 cents on the dollar, its Brady bonds dipped below 40 cents early this week.
"We've heard the view that no one has really known what's going on there for nine months," Miss El-Ali said. "People who say it's getting better don't know. It's really a crap shoot, a gambler's market, not

an investor's market:

in a Comprise Co

Mexico has been hurt by a simmering peasant rebellion in the poverty-stricken south, and by the assassination of the ruling party's candidate for next month's presidential election, Luis Donaldo Colosio Murrieta. Meanwhile, a political unknown, Diego Fernández de Cevallos, has leaped to popularity, threatening the Institutional Revolutionary Party's 60-year hold on power. The result has been a reticence among foreigners to keep sending in their money.

"Inflows to the country have slowed down a little and the trade deficit's rising." observed Elizabeth Morrissey, managing partner of Kleiman International Consultants in Washington. "However, inflation's down to single digits. There are signs of life there, but I don't think Mexico's going to do anything until the election's over. People want to be sure what they're

Mexico, in a way, is the victim of its own success. The outside world has been demanding political reform, but now that it has occurred to the point that a relative unknown may actually be elected president, the market is judged by some to carry too much uncertainty.

exaggerated," Miss El-Ali said. "Mexico's paying the price of being south of the border. In terms of the reforms in place, that is very much on track. This is going to be a truly free, democratic election.'

Although they have done worse this year than full-fledged Brady bonds, Miss Morrissey sees great potential in the bonds of "pre-Brady" countries.

"Some of the countries that haven't actually signed Brady deals yet are real inter-esting," she said. "As they get finalized, prices go up if the deals are seen as being good for the countries and good for the banks. People who buy this paper do it because the unrestructured debt has the largest potential for gain." She said the sovereign debt of Peru, Panama and Ecuador shows the most potential over the next

Some of the best opportunities may exist outside Latin America. Miss Chang called Morocco "probably one of the best emerging market debt stories." Economic growth is in double digits, she noted, while inflation is running at a mild 4 percent to 5 percent. She is also positive on India, which has a bustling economy, a strong domestic capital market and rising foreign currency reserves.

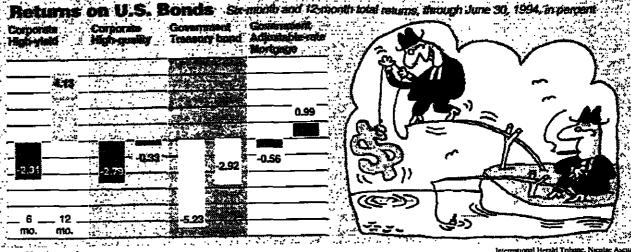
One curiosity in the routing of emerging market debt is the relative resilience of Eurobonds, a \$40 billion market in corporate debt dominated by Mexican and Brazilian issuers. This year, the average issue as only lost 7 percent in total return, J.P. Morgan's figures show.

"Private-sector bonds don't tend to be hit nearly as badly as government bonds because the political risk factor doesn't seem to weigh as heavily in investors' minds," Miss Morrissey reckoned. "The fact that Eurobonds weren't hit as hard shows people really have confidence in these economies over the next year."

Analysts at Morgan expect Latin Eurobonds to do well in the second half, due to a combination of political and economic

"With reduced volatility in U.S. interest rates, a reduction in political uncertainty following the election in Mexico, and favorable medium-term prospects for rating upgrades in Mexico and Argentina, we expect spread tightening and rising newne volume in the second half of the year, specially after the Mexican election, stated a recent Morgan report.

> The Money Report is edited by Martin Baker



Junk Bonds Enduring the Storm Well

By Judith Rehak

HARP rises in interest rates, waves of selling. and the controversy over derivatives have combined to make it a miserable year so far for U.S. bond investors. But amid the carnage, junk bonds - once maligned, then marveled at, then maligned again — are gaining some fresh respect.

Bond prices fall when interest rates go up, and all categories of bonds have been hard hit this year. But high-yield bonds, as some money managers and analysts prefer to call junk bonds, have managed to escape some of the damage, because they are more influenced by credit risk than by interest rates.

The average high-yield bond fund was down 2.31 percent at the half-year mark, according to Morningstar, the Chicago-based, fund data group. But the supposedly super-safe, top-rat-U.S. Treasury bond funds fared much worse, losing 5.23 percent during the same period. Even more ironic, the riskier these junk bonds are, the better

they have been doing. The Merrill Lynch high-yield bond indexes show that bonds

ket, slipped only .47 percent. been Civic Center Holdings, a The diciest sector of all, the well-regarded company whose group of triple, double and sin- reputation was sullied when its ele C-rated issues, actually rose

5.48 percent on average. We're not a bunch of gunslingers," said Bruce Monrad, co-manager of the Northeast Investors Trust, which is leading the high-yield category with a total return of 3.9 percent for grade group," said Mr. Carlson, the year as of last week. "But we took more credit risk than interest rate risk."

strategy was to put almost half the risk of default, say analysts, of his assets in junk bonds rated B or lower, including defaulted issues. A third of that was in panies such as paper manufacturers Stone Container Corp. tive bond ratings for Moody's. turers Stone Container Corp. and Gaylord Container Corp., and commodity chemicals producer Rexene Corp., where he picked up bonds for anywhere from 53 cents to 70 cents on the

He bet correctly that as the U.S. economy picked up steam, these firms would be able to pass price increases along to their customers, improving their creditworthiness and making it easier to pay off their debt.

Other successful junk bond pickers use criteria which show just how arcane this category rated BB by Standard & Poor's can be. "We don't want to limit (the top rating for bonds con- ourselves to ratings only,"said sidered to have a speculative Charles Carlson, who has element) were down 2.53 per-roughly 12 percent of the assets cent for the first half of this in his \$40 million Greenspring year, while the riskier B sector. Fund in high-yield bonds.

parent, a natural gas distributor, filed for bankruptcy. Civic Cen-ter, whose unrated bonds are corrently yielding 12.8 percent. has never missed a payment. "If it weren't for its parent, they

"misunderstood." The economic upturn in the A key point in Mr. Monrad's U.S. has substantially reduced making junk bonds less risky.

would have been an investment-

who adds that junk bonds are

"There have only been six so far this year, compared to 98 in deeply depressed cyclical com- all of 1991," said James Parrish, Mr. Parrish said he expected default levels to remain low for the rest of 1994.

The improving economy will

also boost ratings on junk bonds already out on the market from "speculative" to "investment" grade, predict analysts. Mr. Parrish warned, however, that the credit quality of some new issues is going down. That means issuers will have to sweeten their offers with higher yields to attract investors, with the trade-off being more painstaking research in order for potential buyers.

And where will investors be shopping? Mr. Parrish said that Moody's has a positive outlook on the home building industry,

One of his best performers has mortgage rates, as well as the been Crvic Center Holdings, a savings and loan sector.

Bart Geer, who runs the Met Life-State Street High Yield Bond fund, pointed out that not all junk issuers are financially shaky. Cable television and communications companies traditionally tap the high-yield marketplace for huge amounts of cash to finance rapid expansion and acquisitions, he said.

The gaming business is another example. Mr. Geer cited gaming concerns Circus Circus Enterprises Inc. and Bally Entertainment Corp. as examples of high-yield bond issuers which have paid off reliably for

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load his shares, if he so chose. Using the White service, the investor would have the conve-

More Good News for the spot, without having to wait all those agonizing hours. Emerging Markets

> The first half was not a good one for emerging stock markets. A survey by Kleiman International Consultants showed that a number of the larger ones, quented by westerners, had large losses in U.S. dollar terms.

In Asia, the markets in Thailand, Indonesia and Malaysia lost between 20 and 25 percent of their value in dollars, reported the consulting group, which specializes in the newer stock and bond markets. The Chinese B-share index lost a huge 42.5 percent in the half.

The smaller European mar-kets were all losers, except for Hungary, which eked out an 8 percent increase. In Latin America, Venezuela fell 29 percent, and Argentina and Mexico were each down close to 20 percent: But Colombia had a heartening gain of 44 percent, and Peru and Chile were up more than 15 percent.

The best place to be was sub-Saharan Africa, where every nience of being able to panic on market rose in dollar terms.

Political Tides are Dampening the Nordic Market

By Rupert Bruce

OLITICAL risk is Plunge in First Half elections are creating uncertain- cessfully than others. ty and depressing prices.

The worst case is Sweden. On AB, said he would not be buying any more government bonds un-til the politicians decided what to do about the burgeoning pub-lic sector deficit. This was taken as a thinly veiled attack on the Social Democrats, who many say are expected to win in Sep-tember's general election.

Bjorn Wolrath, Skandia's cians, in a credible way, begin to take seriously the accelerat-ing state debt," he said. "I really

considering the big risk that implies today."

The turmoil threw a spotlight on the other Nordic bond marhanging like a dark kets such as Denmark, Finland, cloud over the Nordic and Norway, which experi-bond markets. In the enced similar economic probtwo most active, Sweden and lems in the 1980s. Since then Denmark, looming general some have reformed more suc-

Currently, say analysts, professional investors regard the July 1, the chief executive of one Swedish government's rickety of Sweden's largest domestic in-finances as being likely to stoke vestors, Skandia Forsakrings up inflation. Inflation is a bond's worst enemy because it erodes the values of both the final capital repayment and the interest payments, or coupons. There are even mutterings that the government might not be able to repay debt at all.

Carnegie, a Swedish invest-ment bank, has recently pub-lished a pamphlet by Elizabeth Langby, an American academic who has lived and worked in chief executive, voiced the con-cerns of many. "Skandia will who has lived and worked in not buy Swedish (state) bonds Sweden, about the governuntil such time as the politi- ment's parlous finances. Her worst- case scenario is of the doomsday variety.
It anticipates that Swedish

do not feel that I have a mandate from (Skandia's) owners to harsh measures needed to sort ment in the September general go in and buy Swedish bonds, out state finances, and that in a election.

Scandinavian Bonds Total return for government books, first six months 1994, in percent.

	8.S. S. Berrer	Currency terms	
Denmerk Finland			
Sweden	0,32	-7.68	
Nonway	3.55		•

few years time, a large bond issue might fail as investors become less and less willing to buy

She writes: "There is a risk that Sweden would progress from being an "inflation risk" to also being a credit risk."

Erik Falt, an economist at Carnegie in Stockholm, believes the bond market's present nervousness is exacerbated by the popularity of the Social Democrat party, which looks set to take office from the present center-right coalition govern-

"I think the market is con- in government spending. In cerned about the clear advantage in the opinion polls for the Social Democrats," he said. "They have until now consistently resisted giving details of any savings in the budget. They think that all the deficit problems are

due to high unemployment." forecasts that the country's government will run a public sector deficit of 13 percent of gross domestic product this year.

Denmark's economy and public sector finances are in much better shape, say some analysts. It started reforming its economy in 1987. Keld Holm, senior economist at Lehman Brothers in London, said Denmark has reformed a tax system that created artificially low borrowing costs, particularly in housing. Denmark is now re-

covering from recession. Still, according to Mr. Holm, Denmark's bonds are overshad-owed by the forthcoming general election, which must be called before the year end. Once that is over, he says, a new government could illustrate its financial rectitude by small cuts

such a scenario, bond prices might rise from current levels, where the benchmark bond yields a little over 8 percent. The bond markets in Finland

and Norway are much smaller than those in Sweden or Denmark and, for this reason, are often overlooked by international investors. Finland has many of the same economic problems as Sweden, note some observers. Both have high unemployment — 20 percent in Finland and 8 percent in Swe-

Norway is in some ways economically similar to Denmark. It also started a reform program in the 1980s, although a year later, in 1988. Mr. Holm said Norway now represents a play on oil prices and the U.S. dollar. As a major oil exporter, its government's finances improve with a rising oil prices or with a rising dollar.

Of the larger markets, some analysts still recommend Sweden, for those who are able to court risk in return for higher rewards. Denmark is widely favored as a safer investment.

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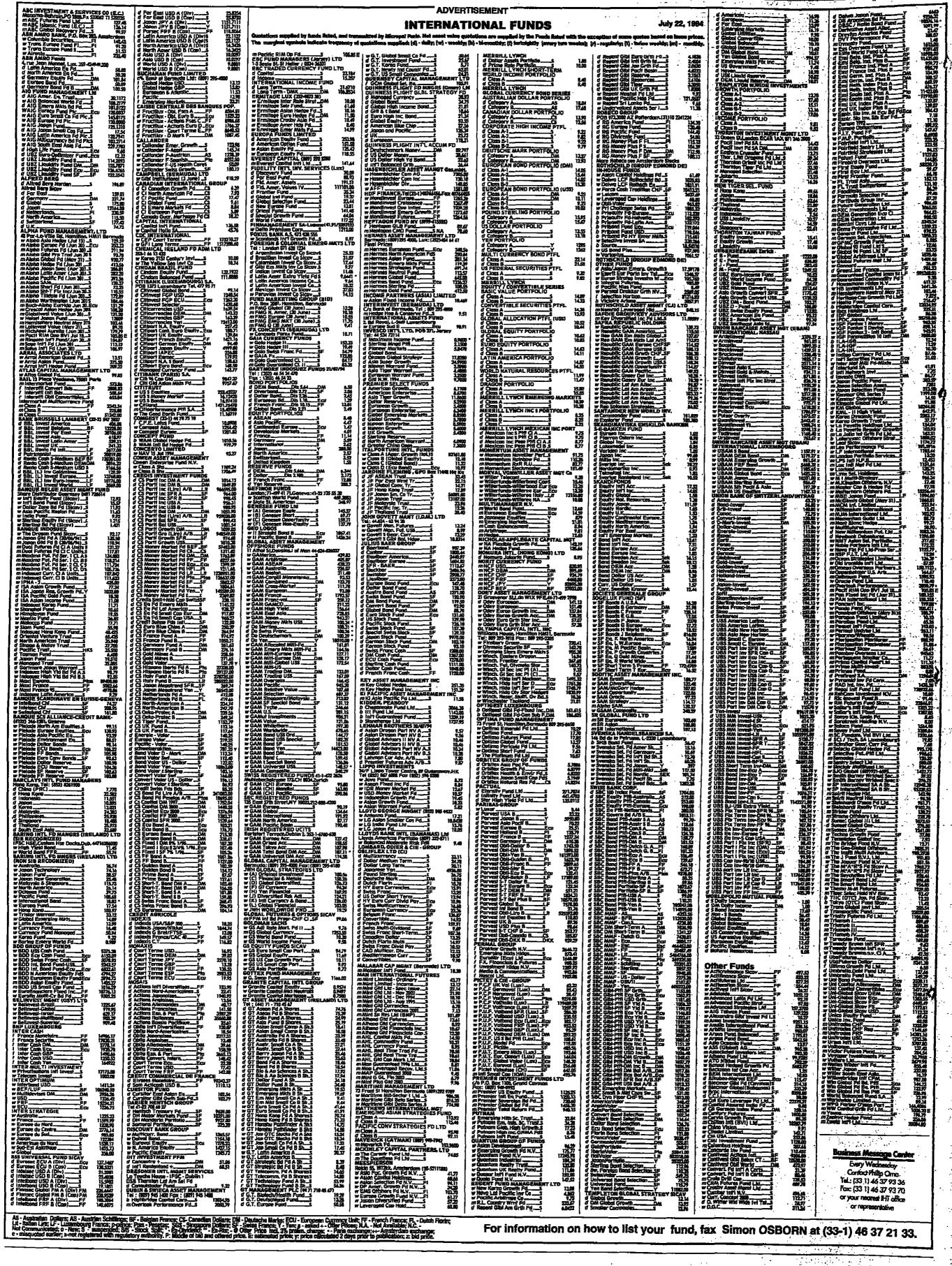
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IERS — The ambassaYemen and Oman in
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Moroccan driver and a guest of theirs who also in missing were reported afe as well.

men were last seen in the nentalist stronghold of s el Khechna, near Alm July 15. Their burned had been found in the

Partition Plan

map for Bosnia's partilines as the only way that void punitive action, stellin international embargodiday, a special session of wed strengthened sea and Balkans, for the first time ruling that allows Gerin allies fighting overseas approved 424 to 48 with overnment and the main, will give German ships he right to challenge, fire board ships to enforce an the Serb-led rump state of (Reuters, AFP, AP)

THE MONEY REPORT

With Structured Bonds, Derivatives Come in Fixed-Income Wrappers

By Digby Larner

T FIRST glance, structured bonds appear the same as any other bond. The investor's aim is to protect principle and receive regular income, although things don't always turn out that way.

The similarity ends there, however. Unlike their relatively conservative cousins, structured bonds are firmly rooted in the highly-geared derivatives market

This means they can be put to a variety of investment uses -- from hedging against losses to gearing up risk.

Although now finding favor with private investors, structured bonds were originally designed to protect corporate investors. against adverse movements in financing costs. If a corporation needed to protect a

for example, a bank or finance company would be called upon to structure a bond whose income grew when interest rates rose. Structured bonds can also be used to cover commodities. A corporation sensitive to the cost of, say, oil or coffee, will use

future price movements. Paul van der Maas, head of the structured derivatives department at Nomura International in London, says that, in their most basic form, structured bonds simply use the cash from standard fixed-income securities to gain exposure to highly geared

a structured bond to avoid being hurt by

"This involves laying out more money than going directly into derivatives, but it cuts the risk," he said.

Not surprisingly, the growing awareness among investors of the different ways derivatives can be used is encouraging them to use structured bonds for speculation

rather than purely for risk management. London Bond Broking, says that although Their big attraction is that they can be demand for structured bonds is increasing. tailored to cover almost any view an investor takes of the market, Mr. van der Maas

"If you think the CAC-40 is going to go up, or that the difference between the CAC and the DAX will drop, you can structure a bond that performs when that happens," he said. This flexibility is by no means limited to stock markets either.

When equity and bond markets become difficult to gauge, as they are currently, the temptation for investors to look to other, sometimes more predictable markets, increases. An investor might be unable to guess whether the Dow Jones Industrial Average is set to rise or fall, for example, but he might have a hunch that coffee prices are about to increase. A structured bond can be created to cover this.

Robin Baldwin, managing director of

fashions for particular types of bonds change very quickly.

"When the gold price goes through one of its periodic upturns, you suddenly find bonds appearing to cover it," he says.

As with all derivatives-based products, the high gearing of structured bonds can quickly turn handsome profits into huge losses. But surprisingly, as the volume of trading in bonds and equities has fallen because markets have become less certain. structured bond business is still growing. This is mainly because they can be adapted to suit most market views, whether they are bullish, bearish or simply flat.

Whereas investors were using structured bonds speculatively last year, they are now using them defensively, said. Mr.van der

rates were going to move down," he said.
"That happened to an extent. But where interest rates went up, some investors showed losses. Since then, the type of business rather than the quantity of sales has changed. People are less keen to take chances. Whereas before they were prepared to risk their principle, now they want to protect it.

Some analysts are surprised by the growing popularity of structured bonds and are skeptical about their possible benefits. They say the bond "wrapping" is aimed at encouraging cautious investors into entering highly-geared markets which they might otherwise avoid.

One analyst, who insisted on anonymity, said that structured bonds are an exsive way of buying derivatives and that investors would be better off taking a more direct route into the market. Others insist that structured bonds have two distinct

The first benefit, according to that view, is administration. Banks and investment houses dealing in structured bonds are able to monitor the market constantly something that even sophisticated retail investors may not have time to do. Secondly, in cases where the original investment is guaranteed, the bond wrapping shifts the risk from the investor to the bond issuer.

As structured bonds are put to yet wider uses, however, one cloud on their horizon is the threat of new rules governing the way derivatives are managed. A number of huge losses made by the treasury departments of large corporations in recent years has raised fears that many investors are taking risks in this complex market without fully under-

standing what they are doing.

Analysts warn individual investors to educate themselves on the nuts and bolts of derivatives, as well as on their many nuances, before entering the structured

To 'Fund' or not to 'Fund': That's the Bond Investor's Question

By Michael D. McNickle

NCE upon a time, before there were mutual funds, wise people squirreled away their savings in stocks, bonds, gold and cash. Now, say some market analysts, the kind of returns that fueled the explosion of mutual funds in the first place may be a thing of the past.

Indeed, some investors wonder whether they might do better on their own, the old fashioned way. Only now it's called asset allocation, and the game has changed.

Picking a good investment-grade bond 30 years ago was relatively simple. Today, there are scores of hybrid and derivative bonds. Some, of course, are safer than others. But is it better to let a fund manager sort it out, or to go it alone?

Investors smarting from the lackluster performance of U.S. bond funds over the past six months may be ready to give up on them. Not so fast, say some experienced market watchers. While there may be attractive individual bonds to be had, they say, such plays do not offer many of the same advantagesas a matual fund

Frank X. Curzio, president of the Queens, New York-based F.X.C. Investors Corp. newslet ter, has his eye on about 50 bonds right now. But he warns hat individuals investing in bonds face many pitfalls.

last September, because we saw these higher interest rates coming through," he said. "And right now, there are some decent individual bonds. "But it's not really the way to go for the

individual investor — at this time, or at any time. reason is that they give you bet-

ter diversity. For one thing, trading costs may be prohibitive for individual investors. Mr. Curzio said that each bond purchased can cost between \$10 and \$20 in dividual bonds may not be as liquid as mutual fund shares.

Anthony Jiorle, a vice president and quantitative analyst for the Vanguard Group, said that the average retail investor may not understand some of the arcana of bond markets, such as how to weigh yield against risk, and how to gauge risk in the first place.

Municipal bonds, because of their tax benefits, are another investment that retail investors who are disenchanted with bond funds might find alluring. But those looking into individ-"muni" bonds would do well to read the fine print, warn some observers.

This is classic " noted Mr. horle. "People will go out and buy 10- or 20-year municipal bonds cause they want to lock in a nice rate, but they never

We liquidated our pertfolio pay attention to the fact that the bond is callable.

Callable bonds enable the issuer to call them in - or, pay off the debt - after a certain number of years has passed. When interest rates fall, issuers of callable bonds often choose this option and then issue new bonds at a lower rate.

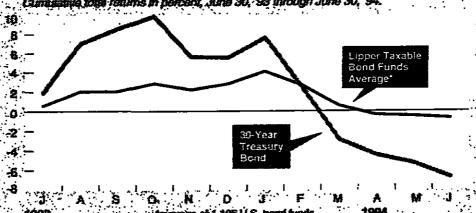
In a scenario like this, Mr. Jiorle said, the investor sometimes winds up holding the bond only for two or three years. Then, when the bond is called, he or she has to remvest the money at lower rates.
Individuals looking to time

broker commissions. Mean-while, other observers note, in-dividual bonds may not be as president of the Alexandria, Virginia based-Hulbert Financial Digest, which tracks the performance of investment newsletters, notes that the products he monitors haven't had much luck in timing the bond markets over any lengthy peri-

> "What's interesting, actually, is that none, if you look at them on a pure timing basis, none of them has added value," he said. "On the whole, bond market timing hasn't really worked." So, what's a disillusioned

> bond fund investor to do? Despite all the pitfalls, analysts say, there can be some advantages to owning individual bonds in certain situations. An analysis by Mr. Jiorle several years ago found that over a

Bond Mutual Funds Versus the 30-Year Treasury Bond Cumulative total returns in percent, June 30, '93 through June 30, '94.



points annually when interest rates were higher at the end of the period than when it began. The exact gain depended on the nature and timing of the interest rate increase.

Mr. Jiorle noted that an indiridual bond holder who holds the issue to maturity gets the interest income, and full face value of the bond. Fund managers, on the other hand, often roll over the bonds in the portfolio before maturity, thus foregoing the maturity value. On the other hand, when in-

terest rates are lower at the end of the period, the bond funds do period of five years, individual better than the individual bonds beat bond mutual funds bonds. One study noted that in locked in for six or seven years, ual bonds) right now.

by roughly 1.5 percentage periods longer than five years, and "even if the rates go up, points annually when interest recouping the bond's maturity these bonds are not going to value becomes progressively less important as re-invested interest adds up.

For those willing to take the plunge, Mr. Curzio mentioned several interesting plays, mainly deeply discounted investment grade bonds.

He cited the AT&T 2001, currently a \$900 a bond yielding 5.7 percent, the Bell South Telephone 2003, a \$920 bond yielding 6.8 percent, and the Dupont 2001 at \$920 with a ting in 10 percent, 9 percent current yield of 6.5 percent as yield, we're going to recoup that current yield of 6.5 percent as

Mr. Curzio said that with these bonds, the investor is only

these bonds are not going to depreciate that much, because you're going to get back par at maturity date."

He added that he liked some closed-end bond funds that are selling at below net asset value, such as the Dreyfus Strategic Government Income fund, the Global Government Plus fund, and the Putnam Dividend Income fund.

"If interest rates turn," he said, "not only will we be get-0 percent. So, we'll be getting 19 percent. That's why we favor closed-end funds (over individ-

A Familiar Investment, But What Is It, Really?

By Martin Baker

ONDS are the finanjor food group: Withindividual investors feel that They typically offer a stream of they aren't getting a balanced investment diet. But what are-

They are bought and sold in which you buy the income their millions, but small inves- stream. Some analysts like to ditors and readers are constantly vide the cost of buying the bond asking for basic information on by the price and call it the yield. these securities - often after This they compare to interest they have already committed rates on bank deposit accounts capital to them.

Leaving aside direct investments in bonds, the market in nearly 40 percent of the Japa- bond market.

nese fund market. are the most common users of names invented by marketing mutual funds, like bonds. But equally evident, there is confusion in the minds of some inves- that has the relative solidity of a tors who, reasonably enough, bond. imagine that entities such as

"guaranteed bonds" and "high income bonds" are really, in fact, bonds.

So, let's set the record cial equivalent of a ma-traight. "Real" bonds are issued by

out them, many corporations or governments. income for a period of years. The income is usually set at a fixed level. What waries is the price at and other investment media

competing for our money. "Guaranteed" bonds are usupooled investments through the ally mutual funds that invest in medium of mutual funds is huge, derivatives contracts, promis-According to statistics produced ing that investors' capital will by DWS, the mutual fund arm be returned after a number of of Deutsche Bank, bond funds, years. Investor confusion about including short-term bond and the difference between a bond money market funds, accounted and a fund using derivatives for more than half of the 2.16 calling itself a bond has been trillion Deutsche mark (\$1.38 heightened by the recent trend trillion) European mutual fund for new fund launches to be market at the end of 1993. Bond sold to traditional bond invesfunds made up more than a third tors. The managers are seeking of the U.S. fund market, and to tap the liquidity of the huge

"High Income" and other Clearly, small investors, who such names are just that people to persuade investors that they are buying something



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Page 16

SPORTS

On Cement in New York, a Summertime Hockey Fantasy Thrives ate, were hoping to see Rheaume replace Berthiaume in goal. New York Rangers but now gets to carry his own some noise by the end of their 22-game regular season. goaltender. We're teammates, and our fans should stick in competition. "And then of course; there's Manon," said Van cheer for all of us the same."

NEW YORK - Bright orange pucks kept soaring off the cement and whistling past Daniel Berth-iaume, the starting goaltender for the New Jersey

After one too many pucks had settled into the net, many of the 6,000 fans who had gathered at the Byrne Meadowlands Arena to support their new team turned their hoots from Berthiaume and their eyes toward the player with the big brown ponytail sitting at the end of the New Jersey bench.

Manon Rheaume, the first woman to play in the National Hockey League, sneaked a shy peek at the fans sitting directly behind Berthiaume.

And then the backup goaltender, 22, braced herself because she knew the chant was coming.

"We want the chick! We want the chick!" The fans, politically incorrect but cheerfully affection-

Orange pucks? Cement surfaces? A woman goalie on wheels? Sounds like a slightly whacky hockey fantasy, and that is a pretty good description of the Roller Hockey International League, now in its

"Everyone out here is having a ball and living a little bit of a dream," said Joe Van Ness, 29, a forward with the Rockin Rollers. "Roller hockey is a sport that young kids can really relate to."

The league, which plays its 22-game season between June and August and seems to have carved a niche among fans between the ages of 13 and 20, is averaging 4,115 spectators per contest.

"There are so many things that people come here to see," said Van Ness, who is a stick-boy for the

One of the attractions is Nick Fotiu, a former Ranger who is now the team's head coach, general manager and part-time player.

Most of the players in the league are current or former minor-league ice hockey players. Although they earn little money, many RHI games, which are seen in the United States and Canada on ESPN. offer minor leaguers a chance to stay in shape, hone their skills and gain additional exposure.

Stockpiled with considerable talent -- like Berthiaume, who played more than 200 NHL games the past three seasons for Ottawa, Winnipeg and Los Angeles; Lain Duncan, 30, a forward who played for for me like they do," said Rheaume. "But when they Angeles, Lam Dincan, 50, a forward who played for the increase the start yelling, 'We want the chick,' I really don't like larger, who played one game for the Edmonton Oilers that. I know they're trying to be nice, but it makes in 1993 — the Rockin Rollers (6-6) should be making the feel really bad for Daniel because he's a great

Rheaume, born and reared in Lac Beauport, Quebec, became an international celebrity during the last NHL preseason when she started a game in goal for the Tampa Bay Lightning.

She has become a fan favorite at the Meadowlands, and a showpiece, if not a gimmick, for the entire league, making appearances at NHL and RHI functions, on talk shows and at trading card shows.

Rheaume, who played in the league's All-Star Game in Vancouver, British Columbia, on July 9, was a major reason 16,708 fans showed up for that game. "It makes me feel wonderful when the fans cheer

high-scoring games. Last season, the league averaged nearly 17 goals per game.

At the Meadowlands, there are also cheerleaders, daredevil Rollerbladers who leap over brand new automobiles and an Elvis Presley-like mascot who loads team T-shirts into a giant slingshot and flings them into the stands.

Players are not paid salaries but play for prize money based on the regular-season standings and on playoff performance. A player on a 14-member championship team would earn roughly \$14,000.

"No one is going to get rich playing roller hockey." said Van Ness. "But the people who come out to watch the games appreciate us even more because they know we're out here simply for the love of the sport."

Maddux **Lifts Braves Past Cards**

Nobody has ever won three Cy Young Awards in a row. Not Tom Seaver, not Roger Clemens, not Steve Carlton, not Sandy Koufax, not Jim Palmer. Greg Maddux is likely to change that, however. Maddux threw a five-hitter and lowered his earned run average to 1.71

NL ROUNDUP

more than one run per nine innings lower than any other starter — as the Atlanta Braves beat the Cardinals, 6-1, for a split of Thursday night's dou-

bleheader in St. Louis. It was his third consecutive omplete game, his major-league-leading eighth, and his 13th victory, tying him for the league lead with Montreal's

Maddux struck out eight and walked none, retiring 14 batters in a row in one stretch, as the Braves snapped a three-game losing streak and dropped into a first-place tie with idle Montreal in the NL East.

In the last three games, Maddux has allowed four runs on 20

St. Louis won the first game, 6-3, on a three-hitter by Omar Olivares, but virtually conceded the second by matching Mad-dux with John Frascatore, making his major-league debut. Frascatore was called up

from Triple-A Louisville on a one-shot basis due to the rare six-game series necessitated by Frascatore gave up all six runs on seven hits in 315 in-

nings, including a two-run home run by Fred McGriff in the first and a three-run shot by Javier Lopez in the fourth.
Astros 13, Pirates 6: In Houston, Ken Caminiti drove in four runs against Pittsburgh and Andujar Cedeno hit a three-run

win his fifth straight start. Harnisch is unbeaten since returning from the 15-day disabled list on June 30. He gave up two runs and five hits in seven innings.

homer to help Pete Harnisch



Mike Stanley, the Yankees' catcher, easily put the tage on Spike Owen of the Angels, who had tried to score on a first-inning triple by Jim Edmunds.

Sizzling White Sox Cool Off Belle and the Indians

Unfortunately for Albert Belle and the Cleveland Indians, one man's hot Belle homered for the third straight night, but it wasn't enough to prevent the Indians from falling another game

AL ROUNDUP

behind Chicago. The White Sox beat the Indians, 6-5, Thursday in the opener of a four-game series in Cleveland between the top two teams in the AL Central.

Frank Thomas hit his 35th homer for the White Son who have won 17 of 21

the White Sox, who have won 17 of 21 overall and 11 of their last 12 on the road. The Indians, meanwhile, have lost

Chicago now leads Cleveland by three games, its largest lead since May 30.

gles by Julio Franco and Robin Murray then slipped as he fielded Warren Newson's bunt and threw wildly past first, letting one run score. Mike LaValliere's sacrifice fly made it 6-5.

The grass was wet, and when Eddie tried to make the throw, he was off-balance," said the losing pitcher, Dennis Martinez. "You cannot blame one guy. With the kind of team they are, in a situation like that, they find a way to get the runs in."

Wilson Alvarez gave up five runs four of them uncarned — and six hits in 7% innings. He retired the last 14 hitters

First baseman Eddie Murray's throwing error led to Chicago's tying and goahead runs in the eighth. The White Sox, trailing 5-4, started the eighth with singles by Julio Franco and Robin Ventura.

The game was bereft of any allegations of cheating or corking. It was last pitcher in the majors.

New York moved 21 games over .500 for the first time since Aug. 8, 1987, and removed from the game at the request of opened a 3½-game lead on Baltimore the White Sox manager, Gene Lamont. The bat was found to be doctored and

> while appealing. Blue Jays 9, Rangers 3: Paul Molitor hit a pair of two-run homers and socred four runs as Toronto stopped visiting Texas for its fifth straight victory and moved six games under .500 for the first

time in a month. Yankees 11, Angels 7: In Anaheim, California, Jim Leyritz had three RBIs, Mike Gallego drove in two runs with a homer and a double and New York's off Jim Deshaies in the second.

its largest in 18 days.

Athletics 4, Orioles 3: Oakland rallied from a 3-2 deficit in the eighth, tying it on Mike Aldrete's sacrifice fly, then de-Belle was suspended for 10 days, but he has continued to play - and play well

feating visiting Baltimore in the ninth on feating visiting Baltimore in the ninth on Geronimo Berroa's single up the middle that scored Mike Bordick from second.

Brewers 7, Twins 3: The Brewers scored all of their runs with two cuts and Bill Wegman broke a personal three-game losing skid in stopping Minnesota in Milwankee.

in Milwaukee. Jose Valentin hit a three-run homer in the eighth and fellow rookies Matt Mieske and Mike Matheny hit homers

Cabbie Saves Star Who Saved Brazil

Los Angeles Driver Finds \$60,000 And Cup Medal Lost by Goalkeeper

The Associated Pres

LOS ANGELES - Claudio Taffarel, hailed as a hero in Brazil's World Cup victory, says a real hero is the cab driver who returned his victory medal and \$60,000 in cash.

A day after the goalkeeper survived a penalty-kick shootout against Italy, he left his passport, medal and cash in Juan

"My feeling was, I got to give this back to this guy," Blanco, 32, said in a telephone interview Thursday night from his home in suburban Santa Ana. When I talked to him," the Mexican-born cabbie said, "I

said I thought twice about going back to Mexico. We were joking. But inside me it wasn't to do that."

Blanco watched the final last Sunday on television because

he could not afford a ticket. He had been rooting for Brazil after Mexico was eliminated in an earlier round.

The next morning, Taffarel and his wife and daughter stepped into Blanco's cab, riding from a hotel in Anaheim to Fullerton, California. Blanco knew the man looked familiar, but couldn't place him. He said it clicked when they arrived at the hotel, and

Taffarel asked him to go to the back entrance to avoid the crush of fans. Blanco then went home for breakfast and a nap. When he returned to his car, he saw a pink-and-black fanny pack in the back seat. In one pouch, he found key chains and tic clips with the Brazilian flag. In another, he found passports with visas for Taffarel, his wife and daughter.

Then, in the back pocket, Blanco saw a ribbon, and attached to it was a gold medal. And then he counted out the

\$60,000 in cash crammed into the pack.
"I thought, This is a lot of money," Blanco said. "That's when I started staking and just getting very, very nervous. I was thinking I have to go back and return this."

Blanco and his brother set out to return the belongings, and heard over the car's radio that police were looking for the driver who had given Taffarel a ride that morning. Blanco radioed that he was on his way.

At the hotel, police sezzed the fanny pack, but the cab driver

insisted on meeting the soccer star; who was being interviewed for a Brazilian television station.

"After his interview he shook my hand and gave me a pretty tight ling, saying there were not many people like me are around," Blanco said. "Then he gave me a sweater with his autograph, he signed my videotapes and that I was wearing."

Blanco also received a \$1,000 reward.

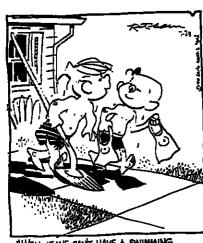
■ Sampdoria and Inter Swap Italy's Top 2 Goalkeepers Walter Zenga and Gianluca Pagliuca, Italy's leading goal-

water Zenga and Granusca raginica, italy's leading goal-keepers, have swapped teams. The Associated Press reported Friday from Rome, citing press reports.

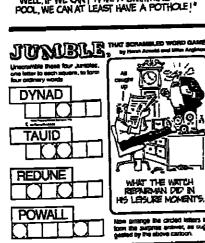
After 13 seasons with Internazionale of Milan, Zenga has signed with Sampdoria of Genoa, press reports said Friday. Moving from Sampdoria to Inter is Pagliuca, who was the No. 1 goalkeeper on Italy's World Cup team.

Zenga, 34, played in goal on the 1990 World Cup squad but lost his job on the national team to Pagliuca, 27.

DENNIS THE MENACE



"Well if we can't have a swimming pool, we can at least have a pothole!"



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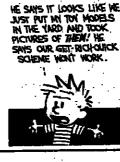






CALVIN AND HOBBES

















THE FAR SIDE



the floating head of Zsa Zsa Gabo

THIS IS SASCHA... SHE'S A-SURE IS



حكذا من الأصل

SPORTS

'Spain, Germany And U.S. Reach **Tennis Semis**

FRANKFURT - Germany, the United States and Spain won their singles matches for an unbeatable 2-0 points lead at the Federation Cup tennis tournament Friday, qualifying for

France, the No. 3 seed, was having problems. France's Julie Halard fought through three sets to win, 6-3, 3-6, 6-2, against Bulgaria's Katerina Maleeva.

Mary Pierce, the world No. 8. won her first set 7-6 (8-6), but Bulgaria's Magdelena Maleeva won the next two sets, 6-4, 6-4, leaving the doubles later to de-

cide the winner. Germany was first to finish with, Sabine Hack defeating South Africa's Elna Reinach 6 Huber then quickly dispatched

Kruger, 6-1, 6-2. Mary Joe Fernandez of the United States played a patient game of long volleys, letting her opponent Petra Ritter of Aus- over one week.

tria make the mistakes. Fernandez won, 6-2, 6-4.
But Lindsay Davenport, the world No. 6, dropped the first set to Austria's Judith Wiesner, 2-6, then fought back hard to win the next two sets, 6-2, 6-2. Spain, the first seed and de-

fending champion, also had difficulty against Japan. Conchita Martinez defeated Naoko Sawamatsu, 6-3, 6-4, But Arantxa Sánchez Vicario struggled through three sets with Japan's Kimiko Date, finally winning 6-2, 2-6, 8-6. Federation Cup rules require that the last set of a match be won

by two games rather than by a "I was thinking it was going to be a tiebreak, but then they told me it was going to be a long one," Sanchez Vicario said.

■ Davis Cap Format for '95 Spain was seeded first for next year's revamped competition on Friday and drew an away match against Bulgaria, enters reported.

The 1995 event will be played along Davis Cup lines, with the eight teams that reached the quarterfinals this week in Frankfurt going directly into next year's World Group.

The eight second-round losers earned spots in Group One. The ties will be determined by four singles and a doubles match over two days, April 22 and 23.

Following the first round ties in both groups next year, the losers of the four in the World Group will play the winners in Group One to decide World Group places in 1996.

The losers of the Group One ties will face the winners of regional qualifying competitions who will be fighting to get into

Group One. The United States is seeded second next year and will play at home against Austria. Thirdseeded Germany will be at home against Japan while France, the fourth seed, will be

at home against South Africa. A total of 83 countries have entered the 1995 competition, All but the 16 top nations will be involved in regional qualify-

me events. Two survivors from the Euro-Africa zone and one each from 6-4. Her teammate Anke the American and Asian zones will earn promotion matches to

the South African Joannette get into Group One for 1996.

Kruger, 6-1, 6-2. The Federation Cup has been played since its inception in 1963 as a straight knockout event involving 32 teams played



Piotr Ugrumov climbing toward victory and second place overall Friday in the time trial.

Tour Time-Trial Victory Lifts Ugrumov to 2d Place

By Samuel Abt onal Herald Tribuni AVORIAZ, France - Strike the French flag and raise the

Latvian. To general astonishment, Piotr Ugramov rode to victory Friday in an individual time trial in the Tour de France and rose to a secure second place overall, replacing Richard Virenque, before the race ends

Sunday in Paris. Ugrumov, a 33-year-old Lat-vian who rides for the Gewiss team, completed a remarkable three days in the three-week Tour. Wednesday he finished second in a two-man final sprint and beat on his handlebars in frustration, Thursday he finished first after a solo breakaway and Friday he overwhelmed the field in an Alpine

race against the clock. His was a victory à la Indurain: one minute 38 seconds faster than Marco Pantani in second place, a vast 3:16 over Big Mig himself in third place and 3:50 over Luc Leblanc in fourth place. Nobody else among the 119 riders finished within 4 minutes of Ugrumov.

American business is of course more

efficient," said Rudolph Nezvetsky,

the Russian Games spokesman with

the dim view of Pepsi, a major spon-

sor. "Here, a lot of things may not get done on time, but they do get done."

In the past several days, the city has looked more the host of a steamroller

convention than a sporting spectacu-

lar, so numerous are the road crews

and street-repairing machines in the

The federal and city governments

have sunk an estimated \$70 million

into polishing up the city - a huge

amount of money by Russians stan-

dards and an amount approximately

equal to Turner's own investment.

will be represented on the TV screens

of the world," said Nezvetsky. "Before it was always Moscow and the Krem-

lin. Now it will be St. Petersburg and

the Hermitage and the Bronze Horse-

Games as an opportunity to offset a tidal wave of publicity about crime

With up to 20,000 visitors expected -

including President Boris N. Yeltsin,

who will attend the opening ceremony, and New York Governor Mario

Cuomo, who as the host of the 1998

Games in New York City will attend

the closing ceremony — the police have been bolstered by extra Interior

Ministry troops and army cadets.

City officials are also looking at the

This is the first time St. Petersburg

city's thoroughfares.

He covered the uphill 47.5 never faltered over the second kilometers (29.5 miles) in one 10.7 kilometers long with a hour, 22 minutes, 59 seconds in intermittent rain from Cluses to 12.4 kilometers long with a Morzine-Avoriaz. His speed of grade of 6.7 percent. He seemed 34.3 kilometers an hour was rapid over three climbs rated the rain running down his face third, second and first category and the tens of thousands of in length, steepness and general fans screaming encouragement

roads. Third overall before this 19th Moving up from fourth place to third was Pantani, an Italian who rides for Carrera. He ranks

7:19 behind Indurain. Dropping from second place overall to fifth was Virenque, a Frenchman with Festina, who had a terrible day and nearly crashed turning a corner. He

finished 18th, losing 6:04. "Time-trialing isn't my thing," Virenque said after he crossed the line in heavy rain. Only 24, he has years to improve and should be a contend-

er in many Tours to come. Leblanc, his fellow Frenchman and Festina teammate. rose from fifth overall to fourth,

10:3 behind Indurain and 7 seconds ahead of Virenque. "I'll be happy with fourth place when we reach Paris." said Leblanc, 27, thereby helping to explain his perennial un-

derachievement. The major mystery at the finish was why Indurain, a Spaniard who rides for Banesto, had been beaten by more than three minutes. In the first individual time trial, on July 11, he beat the since-departed Tony Rominger by 2 minutes and the rest of the field by more than 4. Ugrumov lost 6:04 there.

It was partly the cold rain, which Indurain detests, he ex-plained later. "I didn't want to take any risks in the descents in the rain," he said. "When I heard about halfway how far ahead Ugrumov was, I just rode at a safe pace."
At a news conference, he also

cited a lack of passion in a Tour in which he iced his fourth consecutive victory more than a

"My motivation isn't the same when I've got the race won," he said. He noted that, when he was cruising to easy victory last year, he lost the second time trial to Rominger. Fatigue also played a part,

Indurain continued. "Like everybody, I'm tired. You don't finish a Tour without feeling tired. But I'm no more tired than usual." Whatever the reason, Ugru-

mov was absolutely superior Friday.

He rode steadily, smoothly and, of course, speedily over the first climb, 4.9 kilometers long with a grade of 6.3 percent, and

grade of 5 percent, or the last, untroubled by the wet roads, difficulty, not including wet and flapping flags in his way.

After a strong second place to Indurain in last year's Giro of 21 stages, the Latvian now is second. 5:39 behind Indurain. have a fine season this year. But he broke his collarbone in a crash late this spring and has been working the last two months to return to form.

> Besides the 6:04 by which he trailed in the first time trial, he lost more than 6 minutes to Indurain in the Pyrenees. Only in the last three days, as this 81st Tour moved through the Alps, has the Latvian been able to halve his deficit. Barring accident or illness to Indurain, Ugrumov will not get much nearer than 5:39.

Shula Signs New Deal With NFL Dolphins

The Associated Press

DAVIE, Florida - Don Shula has signed a contract in his 25th year with the National Football League's Miami Dolphins that will give him a minority ownership and let him coach through 1996 unless he decides to run the team from the front office.

"It will be Don's decision," the Dolphins' owner, H. Wayne Huizenga, said on Thursday. "He can coach as long as he wants.

The announcement came a week after Shula, 64, the coach with the most victories in NFL history, hinted that he might not coach past this year when his contract expired.

While the new contract didn't specify when Shula would stop coaching, he sounded eager to stay on the field.

"Some of the things about retirement or going up to the front office have been blown out of proporuon and exaggerate Shula said. "I feel good, I'm healthy I'm looking forward to coaching this year and in the remaining years of my contract."

He would become vice president and director of football operations if he moved upstairs.

On Eve of the 1994 Games, Where's the Goodwill?

By Lee Hockstader and Patrick Tracey

ST. PETERSBURG — The American was being snide. "This has been a

unique opportunity for the Russians to make all the mistakes that they could ever make." he said. The Russian was huffy. "These Pepsi-Cola signs don't change a thing," he said. "They may capture our markets, but they'll never win our

The Goodwill Games are supposed to be diplomacy-by-discus, a celebration of major-power chumminess, proof positive that deep down, all the world's people are the same - among

other dubious propositions. So why can't the Americans stop knocking the Russians' skills as organizers? And where do the Russians get off badmouthing Pepsi?

Such is the slightly sour spirit in St. Petersburg, site of the third edition of the Goodwill Games, the quadrennial athletic and media extravaganza conceived by the entrepreneur Ted Turner decade ago, when Washington and Moscow were still on snarling terms.

Following Olympic Games in Moscow and Los Angeles, which were each boycotted by the rival country, Turner created the Goodwill Games as a politics-free celebration of friendly athletic rivalry. Although the 1986 Goodwill Games in Moscow and the 1990 Games in Seattle each lost mon-

ey, they added considerably to Turner's expanding domain and paid off in publicity both for Turner and the host cities. But as thousands of visitors and

athletes arrive in this city of 5 million for the opening of the 17-day Games Saturday, the promise of feats on the field is being overshadowed for now by nagging concerns over security, public indifference, ticket sales so anemic they may have to be given away and a swimming pool that so far looks unswimmable.

[Swimming, the showcase event of Saturday's opening day, will be pushed back a day because of renovation delays at the pool, officials said Friday, The Associated Press reported. A technical committee decided Friday to hold the event in two sessions

on Sunday. Officials said all other events would be held as scheduled.] Highlights of these Games will include the men's 100-meter dash, in which the world record-holder, Leroy Burrell, will face the former world record-holder and a fellow American, Carl Lewis. In the 200-meter race, the world champion, Frank Fredericks of Namibia, will take on Britain's John Regis and the Americans Michael Johnson and Mike Marsh.

In the women's long jump, Jackie Joyner-Kersee of the United States, the two-time world champion, will face Germany's Heike Drechsler, also a two-time champion, in one of track and field's longest-running rivalries.

And in men's basketball, the United States has assembled what Coach George Raveling calls a collegiate dream team that will be a favorite. Beyond the competition on the field is the nearly audible clash of cultures

as swarms of can-do, computerized, forward-planning Americans collide with soulful, long-suffering, wait-tothe-last-possible-minute Russians. "Here, there's no Ticketron, no Ticket Master, no record-keeping, no credit cards over the phone," said a slightly exasperated Jack Kelly, presi-

dent of the Goodwill Games. Kelly

was explaining his unsuccessful attempt to get the Russians, who will keep all proceeds from the gate, to put tickets on sale early. Turner Broadcasting System, owner of the Games, is expecting to lose several million dollars on the Games, not as much as the \$26 million it lost in Seattle. Kelly cited high costs of

doing business in Russia as well as the

withdrawal of a number of sponsors

after the uprising in Moscow last fall. Nonetheless, Kelly failed to convince the Russians to start selling ets months in advance. They went on sale only this week, and a paltry 18,000 of the 330,000 available for Russians have been sold so far. In fact, ticket sales are so weak that city officials announced Friday that the prices for Russians (but not foreigners) would be cut by half.

"The heartless, accurate machine of

Fashing, 3:40; 5, Chorty Mottel, F moil, 4:12.

FOOTBALE

CFL Standings

Toronto Winnipes

CRICKET 6, Viadimir Pavinikov, Russia, Carrera. 4:24; 7, Erric Zoha, Italy, Gewiss, 4:17; 8, Jean-Franceis Bernard, France, Banesto. 4:31; 9, Alex Zulle, Switzurland, ONCE. 4:67; FIRST TEST

South Africa vs. England, tacond Friday, at Lard's South Africa first Innings: 357 England first (anings: 141-7 TRANSITIONS

Americas League
CHICAGO—Activated Joe Hall, outfletder,
rom 15-day disabled list and optioned him to en SL. Birminehom relea

Tadder, outfielder. CLEVELAND—Put Mork Clerk, pitcher, on

shither, and Mark Lewis, interior, Trum Charlotte, IL Optioned Jerry DHPala, pitcher, to Charlotte. IL Optioned Jerry DHPala, pitcher, to Charlotte. KANSAS CITY—Activated Gary Goettl, Third boseman, from 15-day disobled list. Optioned Bob Milocki, pitcher, to Ornoha, AA. SEATTLE—Accusted Shown Bookie, pitcher, from Philodelphio tor minor leasure player to be named loter. Announced lind Milit Mili, pitcher, closured wolvers and was sent outright to Jacksonville. SL.

TEXAS—Activeted Oddibe Actioned Dovid Hules outfletder, to Okighoma Chy. AA. National Leopee CINCINNATI—Recalled Scott Service, strice, from Indianopolis, AA. Designated Rich Detucko, pitcher, for assismment. FLORIDA—Pot Dove Mogadon, infletder, on 15-day disabled list.

PITTSBURGH—Put John Webner, infletder, on 15-day disabled list. Recalled Tony Womack, infletder, from Buffolo.

ST. LOUIS—Sent John Frescatore, pitcher, to Louisville, AA, Recalled Tom Urbani, pitch-

BASKETBALL JORG. SEATTLE—Named Wally V

FOOTBALL

National Football Langue

ATLANTA—Agreed to Perms with Scott

Cost. defensive back.

BUFFALD—Walved Gree Poterna. running back, and Torn Dohring, offensive linemon.

men.

CLEVELAND—Referred Gree Briess, safety; Joe Montford, linebocker; and Deon Lytte, running back, Signed Randy Baldwin, kick returner-numing back, and Maria Johnson, and Jett Cummins, detessive linemen. Released Noise Mustation, cornerbock, and Tim Myles, detensive linemen. DENVER—Announced that Scott Voushn, offensive lineman, has left come, Named Rannie Lee and George Worthop Summer minority leases.

Interns.
DETROIT—Signed Shane Bonnom, defensive end, and Tony Semple, guard.
GREEN BAY—Released Christopher Persz, offensive tackle, and Llonel Crawford, wide receiver. Signed Ty Definer, australiable, and Tim Houck, safety. Walved Lionell Crawford and for persons.

Crowlerd, wide receiver.
HOUSTON—Mike Munchak, guard, retired.
INDIANAPOLIS—Put Anoth Cos., wide receiver, on inscrive list. Released Al Edwardswide receiver. Re-stand Oon Malhamski,
quarierback, Signed David Tate, defensive.

words, wide receiver, Claimed Matt Frier, wide receiver, all waivers.

LA. RAIDERS—Signed Doug Thomas iver and Matt Elliott.p

wide receiver, and Mott Elliott, offensive line-man. Cut Ketth Franklin, linebacker,
LA RAMS—Releaded Russell White, run-ning back. Signed Johnny Boiley, running back-kick returner.

AIJAMI—Extended contract of Eddle Jones. Seneral manager and executive vice president, through 1959 with an option for 1996. Signed Calvin Jackson. cornerback.

NEW ORLEANS—Agreed to terms with Som Mills and DeMand Winston, linebackers, on 1-year contracts. Agreed to terms with Winfred Tubbs. Ilmebacker, on 3-year con-tract.

troct.
N.Y. GIANTS—Signed Stocky Dilliord, de-densive tockle.
N.Y. JETS—Agreed to terms with Lou Bentotil, defensive tockle.
PHILADELPHIA—Agreed to terms with

PITTSBURGH—Signed Ernle

SAN FRANCISCO—Signed Jon Boker and Walt Compbell, defensive linemen; Rudy Borber and Bret Kwertu, attestive linemen; Cartten Lonce and Milke Salman, safeties; Shoumbe Wright-Fair, running back; Bill Mussarue, equaterback; and Derrel Crowlord, linebacker, Waived Sanlov Beach and Tony Hergain, wide receivers; Brian Bollinger, offensive lineman, and Alec Millian, lockle. Released line rights to Cory Fleming, wide receivers. Signed Kevin Mittellia, Anthony Perbryan and Lee Waadail, linebackers; and Tyranse Drokeford, cornerback, to 3-year confracts.

SAN DIEGO—Signed Eric Maten, offensive guard, to 3-year confracts. SAN FRANCISCO—Signed Jon Scher one

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SIDELINES

NHL to Meet Monday on Keenan

NEW YORK (Reuters) - The National Hockey League commissioner, Gary Bettman, set a hearing for next Monday to look into the contractual dispute between the Stanley Cup champion New York Rangers and their former coach, Mike Keenan. "I have today directed that a hearing will be held on the matter July 25, 1994 at the League office in New York." Bettman said in a

statement released on Thursday. "Further, I have also directed all parties involved to refrain from any further public statements on this matter until it is resolved." The Rangers asked Bettman to step in after Keenan announced last Friday that he was no longer the coach of the New York club, claiming the Rangers had breached his contract. Two days later, he was named head coach and general manager of the St Louis Rines. The Rangers also filed an eight-count lawsuit in Manhattan Mederal Court calling Keenan a "faithless employee" and seeking unspecified damages and a court order to bar him from leaving.

Keenan has maintained that the Rangers breached his contract by failing to make a bonus payment by a deadline. Giants' Taylor Linked to Mob Probe

NEWARK, New Jersey (AP) — The former New York Giants linebacker Lawrence Taylor has been subpoenaed to testify next week before a state grand jury investigating organized crime,

according to a newspaper report.

The Star-Ledger said, however, in a front-page story on Thursday that the retired National Football League star was not a target of the investigation. Sources who asked not to be identified told the newspaper that the grand jury was nearing the end of an investigation of Genovese crime family operations in New Jersey. Taylor was named

two years ago in a report by a state commission investigating the influence of organized crime on bars.

2 NBA Games Planned for Japan NEW YORK (AP) — P. J. Carlesimo, the former Seton Hall basketball coach, will make his National Basketball Association coaching debut in Japan, where the Portland Trail Blazers will

open their 1994-95 season. The Trail Blazers will face the Los Angeles Clippers in a twogame series in Japan on Nov. The series, the third time in six years the league has sent teams to Japan for a season-opening series, concludes the following night.

For the Kecord

Michael Moorer, 26, will defend his two world heavyweight boxing titles against the former heavyweight champion George Foreman on Nov. 5 in Las Vegas. It will Mooter's first defense of the WBA and WBC titles he won in April with a majority decision

Luis Garcia, 25, a striker on Mexico's World Cup team, agreed to a three-year contract Friday with the Spanish club Real Sociedad. Last season he played for Atletico de Madrid. (AP) over Evander Holyfield.

The CONCACAF Gold Cup, the soccer championship for the North and Central American and Caribbean region, is to be changed from July 1995 to January or February 1996 because of conflicts with the U.S. Cup exhibition tournament and the Copa America South American championship.

Claudio Reyna, a midfielder on the U.S. World Cup soccer team, is to sign with the German first-division team Bayer Leverkusen, joining the U.S. defender Thomas Dooley, who last month agreed to a two-year deal with the club.

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re 149 960 210—3 6 6 960 962 911—4 7 6 1664, Mills (6), Elchhorn (8) and Holles Accondid, Mills (6), Elchhorn (8) and Italies: Derling, Leiper (7). Ecleralay (7) and Stein-bock, W.—Eckeralay, 3-4, L.—Eichhorn, 5-4. Chicago 622 808 625—6 11 2 Chyeland 64 100 600—5 6 1 Absorz, McConbin (2). Amendment Alvarez, McCaskhi (8), Assemmacher (9), R. Pernandez (9) and LaValliere; De. Marti-cez and Pena. W. Alvarez, 11-5. L.—De. Marti-

Results Friday of the 19th stops, from Classes to Morzine, a 48-billometer (30-mile) individuol fine frida with cyclist, country, learn and whenfus three; i, Plott Varumov, Labria, Gewiss, 1 hours, 22 minutes, 59 sec-ends; 2, Marco Parioni, Itohy, Carrens, Imin-ute, 35 seconds behind; 2, Mispal Indurolu, Spain, Banesto, 3:16: 4, Luc Lebione, France, Herald Eribune

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BASEBALL

nez, 9-5. Sv—R. Hernandez (11). HRs—Chicago, Thormas (25). Cleveland, Belle (29). Alkanesola 189 681 681—2 8 9 Mikusesola 189 681 681—2 8 9 Mikusesola 180 681—2 8 9 Mikusesola 180 681—2 8 9 Mikusesola Mikusesola 180 681—2 11 1 Destholes, Willia (3) and Mattheny, W—Wegman, 7-3. L—Destholes, 5-16. HRs—Mirnesola, Mack (12), Hrbet (6). Mikusesola, Mickette (16), Mattheny (1), 35. Valentin (8). Taxos 810 110 680—3 9 1 Tareste 92 811 220—9 18 1 Leary, Whiteside (7) and J. Oricz Herhigen, Cax (7) and Knorr, W—Hersigen, 12-6. L—Leary, 1-1. Sv—Cax (2). HRs—Texas, Greer 2 (8). Toronka, Modifer 2 (11), Schoffeld (4). Mew Yerk 901 146 281—11 15 2 Catiliaratia 91 110 11—7 15 6 Key, X. Hernandez (7), Wickman (8) and Stanley: Frieley, Lewis (5), Aleagrane (7) and C. Turmer, Dalesandro (9). W—Key, 15-2. L—Finley, 7-9. Sv—Wickman (6). HRs—New York, Gollego (5). Colifornia, B. Jockson (11), Snow (5). **Major League Standings**

4:31; 9, Alex Zulle, Switzuriend, ONCE, 4:49;
10, Roberto Conti, Italy, Lompre, 4:54.
Overall Standings: 1. Adquet Induren,
Spoin, Bonesio, 13 hours, 3 minutes 35 seconds: 2. Piotr Usrumov, Lothyle, Gewiss,
5 minutes, 37 seconds behind; 3, Merco Ponton,
Italy, Correror, 7:19; 4, Luc Leblonc, France,
Festino, 10:10.
6, Roberto Conti, Italy, GB-MG, 12:29; 7,
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What's That Again?

MIAMI — I'm sitting in a small, brightly lit room in New York City, facing a TV camera, grinning enthusiasti-cally and having a conversation with perky voices in my ear.

I'm doing what's called a "satellite media tour" to promote a book. For three straight hours I've been talking to perky TV News Teams all over the country, one after another, for about five minutes apiece. The only person in the room with me is Gary, the cameraman. I can't see the News Teams; I can only hear them via an earpiece. They all tend to ask the same questions, so I've been saying the same things over and over and over.

"So Dave!" a perky news voice is saying. "Tell us about the squirrel in the woman's toilet!" The News Teams love this

Gary the cameraman winces. He has heard the toilet squirrel

story about 29 times today.

"Ha ha!" I say to the camera,
as though I am delighted to be telling this story yet again, whereas in fact I would rather be undergoing vasectomy via tire iron. But I plunge ahead, because it is my job, as an author, to get my book mentioned on the TV news. It's not easy.

I finish talking to the current News Team, and immediately I hear a new one in my ear.

"Dave!" a perky voice says.
"What's the deal with these toilet squirrels?" Gary the cameraman slumps. I think even the camera is slumping.

"Ha ha!" I say, and plunge

It's several days, and several cities, later, and I'm in Milwaukee, being interviewed on a TV show about books. The host is trying to ask me a question that begins "When did you first start," but he messes up and combines the beginning of "first" and the end of "start" into one word, so that his question comes out: "When did you (comical bathroom word)."

He says this very clearly. He

though nothing has happened. I help him out by shouting, "WHAT? WHAT DID YOU

He still trying to gloss over it and get on with the interview, but now he's starting to giggle, a problem that only gets worse when his wristwatch, suddenly and mysteriously, as though possessed by demons, springs off his wrist and clatters noisily across the table.

Literature: It's my life.

Now I'm in Denver, and I'm on a TV talk show with a country and western band from get ready — Singapore. They're promoting their new record, "You Caned the Buttocks of My Heart." No, I'm kidding about the song title, but the band is real. They're called "Matthew and the Mandarins," and they've just arrived in the United States on a tour to promote goodwill for Singapore.
They do a pretty good version
of "Margantaville," but publicity-wise I'm wondering how well they'll do here, going headto-head with big names such as Barbra Streisand.

Now I'm sitting in a TV stu-dio in Portland, Oregon, waiting to go on a TV talk show. The other guests are Allen Ginsberg, the famous poet, and Charlotte, a dog employed by the local fire department to sniff out gasoline and other chemicals used in arson.

"Where's Allen Ginsberg?" I ask somebody.
"Here," says a little old man who has been sitting right next

to me for 10 minutes. "Ha ha!" I remark, suavely. Ginsberg, who is on a book tour, announces that he is very tired, then lies down on the studio floor and goes to sleep. Charlotte the Arson Dog, on the other hand, is energetic, bounding around the studio, deliriously happy to meet people. She is not on a book tour.

Now I'm home, all done with the book tour. I don't talk much these days. Mainly I sleep.

With a Sigh, Israel Gives Up Sinai Treasure

By Clyde Haberman

New York Timer Service
TERUSALEM — Even now, years J after they waved farewell, many Israelis find it emotionally difficult to let go of the Sinai Peninsula.

They held it for 15 years, from 1967, when their army captured it from the Egyptians in the Arab-Israeli war, until 1982, when it went back under a peace treaty between Israel and

A dozen years later, many here talk wistfully about the wilderness they lost. These people include those more than willing to give up land in the name of peace. For them, Sinai represented magic and mystery, Bible and beach front: a getaway place that offered that most elusive commodity in this postage stamp of a country, wideopen space.

Maybe that is why they have been flocking to the Israel Museum in Jerusalem for their first, and last, glimpse of archaeological artifacts that Israeli researchers discovered beneath the desert and are now handing over to their

Egyptian counterparts.
It is apparent that had it not been for Israeli archaeologists poking through Sinai, most of the material would still be covered by sand. They expanded knowledge about desert societies, turning up ancient oil lamps, burial masks, urns, funerary steles, arrowheads, necklaces and bits of sandstone etched with characters of a primitive alphabet going back 3,500

But while Israel may have done the digging. Egypt had the legitimate claim to ownership of the finds. And when it firmly said it wanted the thousands of pieces back, the Israelis agreed. Most of the material was shipped to Cairo over the last year; the rest will be sent by December after

a final cataloguing.

To the professionals, this reverse archaeological exodus is a milestone. It is not that institutions or individuals have never before given back objects to people from another country

laying claim to them.

As Martin Weyl, the director of the Israel Museum, put it, "This is the first time I know of in the 20th century that as the result of a political agreement between two countries, cultural property is being returned."

Through the years, the Sinai artifacts remained in storerooms here. With the transfer near, though, offi-



A fifth-century B.C. gold-plated burial mask at the Israel Museum.

cials decided the time had come to put some of the more dramatic pieces on display. These included a reconstruc-tion of family tombs, circular stone structures that still stand in southern Sinai and are 5,000 years old.

Two weeks ago, the exhibition "Sinai: A Farewell for Peace" opened at the Israel Museum, where it is scheduled to continue until Sept. 12. Judging from the large crowds on the first weekend, it seems safe to say that while Israelis no longer hold Sinai, it still holds them.

Delighted at the way things have turned out, the Egyptians say they want to bring the exhibition early next year to Cairo, Alexandria and Luxor, and eventually to a new museum being built in El Arish, on the Mediterranean near the Israeli border.

Although they are too polite to say so publicly, officials in Cairo were dubious at first that Israel would keep the agreement. But they say unhesitatingly now that all promises have been

kept.

"It is a good example by the Israelis to give it all back," said Mohammed Abdel-Maksud, who is in charge of northern Sinai for the Egyptian Antiquities Organization, a government

agency. "We would like others to follow this example in other parts of the world."

Inevitably, the Israeli agreement with Egypt raises questions about whether a precedent has been set with regard to other territories that Israel captured in 1967: the Golan Heights, which Syria is demanding back, and the Gaza Strip and the West Bank, which the Palestinians want for their hoped-for independent state.

The two spheres of the West Bank -known to Israelis by their names of biblical origin, Judea and Samaria — are of incalculable religious, historical and cultural importance.

Archaeological finds there include remnants of ancient synagogues and the Dead Sea Scrolls. It is almost impossible to imagine Israel readily acceding to demands from the Palestinians that anything found in the West Bank belongs to them.

Palestinians are already pressing such claims, calling them a logical extension of their agreement with Is-rael on self-rule, which went into effect recently in Gaza and the West

Bank town of Jericho. "Everything discovered here be-

longs to the Palestinians; they are part of our heritage," said Professor Nazmi Jubeh, an archaeologist at Bir Zeit

University in the West Bank.

Does that include material purely Jewish in character?

"Of course," Jubeh replied. "Our heritage has a Jewish component. Part of our society has always been Jew-

To Israeli archaeologists, that argument is, stripped of academic niceties, hogwash. Take the Dead Sea Scrolls, said Yaakov Meshorer, the chief curator at the Israel Museum, where many of the 2,000-year-old scrolls are

"There is no question that they are a Jewish treasure," he said. "It is un-thinkable that the Palestinians should have them because they were found near Qumran," along a stretch of the Dead Sca in the West Bank.

Legal questions arise as well. For example, unlike the Egyptians, the Palestinians have never had their own state. The tree of Bank was successively controlled by the Ottomans, the British, the Jordanians and the Israelis, but never the

They cannot claim something that they never owned," Meshorer said. If such ex post facto claims were allowed, he argued, then Israel should be allowed to retrieve valuable biblical-era objects taken by the Turks to Istanbul when they controlled the

So delicate is this issue that Israel and the Palestine Liberation Organization decided in their Gaza-Jericho agreement to set it aside for several years, along with other volatile mat-ters like the fate of Jerusalem.

By comparison, Sinai is a sea of tranquility, and Egyptian and Israeli officials look to continued coopera-

Avner Goren, an Israeli archaeologist who supervised Sinai digs from 1968 to 1982, talks nostalgically of his years in the wilderness, where his children were brought up among the Bed-

"There is a lot of sentimental at-tachment to Sinai," he said, adding that he "would love to go back" for deeper research.

That is fine with Abdel-Maksud.

Once Egypt gets everything back, he said, there is no reason why Israelis, too, may not return to explore some

Magazine's 'Joke' Fails To Amuse Paris Mayor

Just kidding, said the magazine. But Jacques Chirac, the mayor of Paris, wasn't amused by a cover photo showing him jumping over a subway turn-stile, and he is suing Le Nouvel Observateur for a symbolic one franc. The photo is genuine, both the mayor and the weekly news magazine agree. It was taken in 1978 when Chirac jokingly posed jumping the turn-stile during an official visit to a subway station. What irked the mayor, a likely presidential candidate next year, was that the photograph was used this week to illustrate a cover story titled, The France That Cheats."

A pen-and-ink sketch by Beatrix Potter sold at auction for £24,200 (\$37,450) in London, Christie's said. Justin Schiller, a U.S. collector, bought the work, the "Guinea Pig Gardeners." Christie's said the price was a record for a Potter illustration at auction.

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Rose Kennedy received 104 pink roses on Friday from her son, Edward M. Kennedy, as she celebrated her 104th birthday in Hyannisport, Massachusetts. The Kennedy clan will gather for a family bash on Saturday.

Abdel Samad-Ismail, 70, a Malaysian newspaperman, haid won the 1994 Ramon Magsaysay award for journalism, literatore and the creative communi-cation arts, the awards board said in Manila.

New York City plans to re-name Central Park Reservoir after Jacqueline Kennedy Onas-sis, the Daily News says. Her son, John F. Kennedy Jr., came up with the idea and Mayor Rindolph Grulland approved it. Mrs. Onassis, who died in May, lived just blocks from the reserved. voir and was often seen walking and jogging around it.

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WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

POSTCARD

America Can't Quite Say Goodbye to Its Drive-in Theaters

By William Grimes

New York Times Service F OR nearly 30 years, the drive-in movie theater has struggled. Squeezed by multiplexes, videocassettes and urban sprawl, it has at times seemed to teeter on the verge of extinction. In 1958, there were

there are 837. But do not mourn its passing quite yet. Although the number of screens nationide continues to decline, the drastic attrition of the 1980s has eased, say industry experts and theater owners. In large areas

the United States, the old-fashioned drive in not only survives but prospers This is only fitting for a cultural form that manages to combine three of America's atest inventions; film, cars and fast food. This year, everybody's been doing pret-

ty good," said Mike Reed, the manager of the Twin Drive in in Independence, Missouri, a first-run theater with two screens. Missouri is a hotbed of drive-in culture. The Kansas City area alone has four driveins, all of them prospering. Taking a cue

Drive-in in Kansas City recently became a multiplex, going from one to four screens.

This boom contrasts sharply with states like New Jersey, which lost its last drive in in 1991, a cruel blow considering that the first drive-in theater opened in Camden, more than 4,000 drive-in screens. Today, New Jersey, in 1933.

"A lot of drive-ins closed in the 1980s, but people weren't going," said Jim Kozak, a spokesman for the National Association of Theater Owners. "They were located in such good spots, usually in the middle of the suburbs, that the land became too valuable to hold on to. The ones that are

till in business are quite popular. In general, the drive in has declined in and around cities and in areas with colder veather and short outdoor seasons. It has held on in the rural South, in parts of the Midwest, and throughout the Sun Belt.

People think you're doomed if you don't have a 20-screen multiplex," said Ray Greene, the editor of Box Office magazine, a trade publication. "That's true in

from the indoor competition, the 1-70 big cities, but it's not true in out-of-the way areas."
Where the drive in has survived, it has

done so by adhering to traditional values. First and foremost, it is cheap.

"It works here in Carlsbad because the town is middle to low income, and we charge \$5 per carload," said Brad Light, the owner of the Fiesta Drive in in Carlsbad, New Mexico, a theater that closed in get 10 people in there and, hey, that's a X

cent movie." Anyone who thinks of drive ins as at chaic should consult the Japanese, who love them. The Shochiku Co. has set up ight drive-ins in Japan since 1981, three o them in the Tokyo area. These are driveins with a difference, however. Land values in Japan are so high that the drive-ins operate on parking lots, which otherwise would be empty at night.

A truck on blocks serves as the projection booth. Concessions kiosks and the screen are rolled onto the lot at dusk, then rolled off after the last movie.

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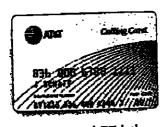
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